

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

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Paris, Friday, March 5, 1999

No. 36,081

TODAY:  
LEISURE  
Discovering Iran, Page 8

## Three Decisions in U.S. Rankle Allies in Europe

### EU Warns U.S. It Risks 'Major' Trade Battle In Banana Feud

By Tom Buerkle  
International Herald Tribune

LONDON — The European Union warned the United States on Thursday that it risked "a major trade confrontation" by imposing sanctions on European imports in a dispute over bananas, underscoring a serious escalation in trans-Atlantic trade tensions over the issue.

The depth of European anger over the sanctions was demonstrated in London when the trade min-

The United States sees 'important progress' in China's drive to join the WTO. Page 11

ister of Britain, normally a close ally of Washington in trade matters, summoned the U.S. ambassador to protest.

"I deplore the action which the United States has taken," the minister, Stephen Byers, said in a statement to Parliament. "It is completely unauthorized by any WTO procedures," he added, referring to the Geneva-based World Trade Organization.

In Brussels, the European trade commissioner, Sir Leon Brittan, also condemned the U.S. move on Wednesday to impose 100 percent tariffs on about \$520 million worth of European imports, ranging from Italian cheese and French handbags to Scottish cashmere.

"This American action is not the act of a party seeking a rapid settlement," he said. "It risks a major trade confrontation."

The harsh rhetoric indicated that the long-running banana dispute might spin out of control, officials said. What most troubles senior trade officials is that the dispute is coming to a point at a time when the United States and Europe are in disagreement over a number of key issues, from trade in hormone-treated beef and genetically modified food to Washington's growing impatience at the lack of moves to stimulate the European economy.

See TRADE, Page 4



Captain Ashby speaking to reporters Thursday after the jury acquitted him.

### Marine Pilot Acquitted In Italy Ski-Lift Deaths

By Steve Vogel  
Washington Post Service

CAMP LEJEUNE, North Carolina — A military jury cleared a Marine captain on Thursday of involuntary manslaughter and all other charges brought against him for flying his jet over a ski resort and severing cables holding a gondola, plunging 20 people to their deaths in the Italian Alps last year.

After a year of painful recriminations on both sides of the Atlantic and a bitter, three-week long trial, the verdict came with stunning finality, following seven hours of deliberation over two days. "Captain Richard J. Ashby, this court finds you, of all the specifications and charges, not guilty," said the jury president, Colonel William Snow.

A joyous whoop erupted from relatives of

Captain Ashby, sitting directly behind the pilot. "Praise the Lord," said his mother, Carol Ann Anderson, clinging to the hands of family friends.

One of the Marine prosecutors, Major Stu Crouch, turned to ashen-faced relatives of the victims, who sat with their heads bowed in the small military courtroom after the verdict. "I'm sorry," he said softly.

Captain Ashby, standing at attention as the verdict was read, showed little emotion, but he had a wan smile as he shook hands after the verdict with his attorney, Frank Spinner.

The aviator still faces a separate court-martial on a charge of obstruction of justice.

The navigator of the jet, Captain Joseph Schweitzer, is scheduled for a court-martial later

See PILOT, Page 4



Twenty people died in the gondola crash after the U.S. jet severed its cables.

### Execution Angers Germany Cries of 'Barbarism' Over Gas Chamber Death in U.S.

By Roger Cohen  
New York Times Service

BERLIN — Germany voiced outrage Thursday at the execution of a German citizen in a gas chamber in Arizona, accusing the United States of "barbarism" and flouting international law.

Walter LaGrand, 37, was put to death Wednesday in a cloud of cyanide gas for his role in the 1982 murder of a bank manager. The potent symbolism in Germany of killing in gas chambers fueled the outcry here, with members of Parliament calling for sanctions against the United States and radio stations flooded with indignant calls.

That Mr. LaGrand's brother, Karl, 35, was executed last week in Arizona for his role in the same crime added to what Karsten Voigt, a senior Foreign Ministry official working on German-American relations, called "a sharp sense of divergent moral standards that we find deeply worrying."

Walter and Karl LaGrand were born in Augsburg, southern Germany, but moved to Arizona as young children after their mother married an American soldier she had met in Germany.

The LaGrands were convicted in 1982 of stabbing Walter Hartsock to death in a botched bank robbery attempt. They also stabbed a clerk, Dawn Lopez, six times, but she survived.

Both brothers chose the gas chamber in the hope that courts would find the method unconstitutional. But when this tactic failed, Karl LaGrand accepted a last-minute offer of a lethal injection on Feb. 24. He was the first German citizen executed in the United States since World War II.

Walter LaGrand, however, opted for the more drawn-out method with his charged postwar resonance in Germany. He was put to death in the gas chamber at 9:12 P.M. Wednesday.

See DEATH, Page 3

### Albright Takes Some Heat For Rambouillet 'Success'

By Joseph Fitchett  
International Herald Tribune

PARIS — Secretary of State Madeleine Albright's personal efforts staved off failure at least temporarily in the Kosovo peace talks last month at Rambouillet, France, but her intensive, often improvised, diplomacy raised concerns that her entry into the talks clouded the prospects for settling the civil war between Serbs and ethnic Albanians when the two sides reconvene on March 15, according to officials in Europe and the United States.

"Her energy was impressive, but her performance injected new uncertainties into the situation and sowed doubts about the seriousness of U.S. diplomacy," said an American ambassador in Europe.

Like other diplomatic practitioners, he considered her Rambouillet performance to fit a pattern of what he said was the Clinton administration's pro-

pensity for downgrading U.S. objectives in a foreign-policy crisis and settling for any result offering the appearance of success or at least forestalling a media verdict of failure.

Robert Zoellick, a conservative U.S. strategist, said that Mrs. Albright "seemed to concentrate so hard on tactics that she lost sight of U.S. strategic goals, and even her tactics seemed imperfectly adapted."

Now head of the Center for Strategic and International Studies in Washington, Mr. Zoellick was a key Bush administration negotiator on German reunification. But similar concerns were voiced by Mrs. Albright's fellow Democrats and working colleagues, who asked not to be identified.

In a general reproach, Mrs. Albright was criticized for emphasizing threats of NATO bombing at the very moment

See ALBRIGHT, Page 4

#### AGENDA



BLACKMUN DEAD — Harry Blackmun, the retired U.S. Supreme Court justice who wrote Roe v. Wade, has died. Page 3.

#### Yeltsin Demands Ouster of Tycoon

MOSCOW (WP) — President Boris Yeltsin, stepping into the fray from his hospital bed Thursday, in effect fired the politically ambitious business tycoon Boris Berezovsky from his post as executive secretary of the Commonwealth of Independent States.

For several weeks, Mr. Berezovsky has been loudly criticizing the government of Prime Minister Yevgeny Primakov. The Kremlin said in a brief statement that Mr. Yeltsin had asked the other heads of commonwealth states to agree to dismiss Mr. Berezovsky "for exceeding his powers and failing to carry out orders."

#### Yugoslavia Defends Buildup on Border

PRISTINA, Serbia (Reuters) — The Yugoslav government said Thursday that it had decided to strengthen parts of its border to stop "infiltration" into Kosovo.

Yugoslavia said its troops were on the border to prevent what they call attempts by ethnic Albanian guerrillas to create a corridor to bring weapons and equipment into Kosovo. Armored vehicles were reported heading west on Thursday toward the Albanian border.

War's cover for murder, Page 5.

### Bonn's Push for Tax Cuts Riles German Business

#### Dispute Widens Rift With Socialist Government

By John Schmid  
International Herald Tribune

FRANKFURT — The German government pushed its tax-reform plan through the lower chamber of Parliament on Thursday, overriding a storm of protests by industry leaders who threatened to transfer jobs out of Germany.

The plan would lower individual income taxes by 2002 and make up the lost revenue by shifting more of the tax burden to industry.

Before the final vote, several of Germany's biggest companies, such as the insurance giant Allianz AG and energy group RWE AG, warned that they would shift operations outside the country. Insurers, who manage powerful portfolios, even vowed this week to boycott buying government bonds.

The corporate revolt that accompanied the vote on the tax plan stems from companies' belief that it will shift a disproportionately large tax burden onto them just as Europe's pivotal economy is weakening, exports are falling and unions are successfully winning higher-than-expected wage increases.

Unmoved by the fray, Finance Minister Oskar Lafontaine, who drafted the tax plan, argued that it corrected injustices in the complicated German tax

code. Shifting blame for the current tax imbalances to the previous conservative government, the finance minister told lawmakers that "the wrong track that tax policies have been on for years is now being corrected."

Separately, the European Central Bank met Thursday in Frankfurt amid public pressure from Germany's government to ease interest rates and bolster the anemic economy. The ECB, the central bank for the 11 countries of the euro, left its interest rates unchanged, but some analysts detected a new tone of concern in the remarks of the bank's president, Wim Duisenberg. (Page 12)

In Germany, the tax debate widened an already acrimonious rift between Bonn's left-leaning administration, which took office in October, and a business community that is disillusioned by the direction and pace of economic and welfare change. For Chancellor Gerhard Schroeder, who styles himself as a business-friendly pragmatist who values a consensus-building with labor and industry, the tax bill undermines his efforts to coax industry into a joint attack on near-record high unemployment.

"There has never been anything like it," the daily Bild newspaper wrote this

See GERMANY, Page 13

### Bank Reform Issue Hobbles Indonesia

#### Vital First Step to Economic Health Stalled in Controversy and Suspicion

By Mark Landler  
New York Times Service

JAKARTA — As riots rage in one of its provinces and with a bruising election just four months away, nobody suggests that it will be easy to nurse the economically ruined country of Indonesia back to health.

But Indonesia's efforts to overhaul its banking system have discouraged even the most hardened realists, who say the convoluted events of the past week are an example of why Indonesia will take so long to heal.

On Saturday, the government was supposed to announce a landmark step in the rehabilitation of its shattered banks — shutting down 38 and rescuing

dozens of others with fresh capital. But at the last minute, President B.J. Habibie put off the announcement for two weeks.

The timing of that announcement caught even the finance minister and the central bank governor by surprise. It has unleashed a storm of criticism that Mr. Habibie is catering to politically connected bankers, who lobbied for the delay because their banks were likely to be closed down.

Nearly 10 months after an imploding economy and violent social unrest toppled President Suharto, people here

Albright presses for a trial of Khmer Rouge leaders. Page 5.

say Suharto-style cronyism is now stalling the recovery of the world's fourth most populous nation.

"With the fall of Suharto, you might have expected that Suhartoisms would be reduced," said Rizal Ramli, a leading economist. "But it hasn't worked out that way. The game is the same; only the players have changed."

Now, Jakarta must persuade the skeptics it is still committed to reform. The government's explanation for the delay was flatly rejected by the deputy chairman of the Indonesian Bank Restructuring Agency. It elicited clucks of disapproval from the International Monetary Fund, which is holding back

the next \$1 billion of its \$43 billion rescue package for Indonesia.

A spokesman for the IMF said the government had shown a "lack of clarity" in reporting on its overhaul of the banks. "This is certainly something we thought would be worked out by now," said the spokesman, Yasuki Shastri.

Indonesian officials deny that political favoritism played a part in the delay. The governor of Indonesia's central bank, Syahril Sabirin, said in an interview that some of the banks did not have enough time to submit business plans to the government.

He said it would have been unfair to close down those banks without giving them a chance to raise capital.

All the same, Mr. Sabirin said he understood why outsiders might be suspicious of the government's motives: "Of course, I think I understand that very well because, for one thing, it is kind of unfortunate that one of the concerned parties in this process is a member of the president's resilience council."

Mr. Sabirin was referring to Aburizal Bakrie, a prominent banker who sits on an economic recovery council chaired by Mr. Habibie.

Mr. Bakrie did not deny that he lobbied on behalf of his bank, PT Bank Nusa Nasional, which analysts said was slated to be shut down in the Saturday

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Newsstand Prices	
Andorra.....	10.00 FF Lebanon.....
Antilles.....	12.50 FF Morocco.....
Cameroon.....	1.800 CFA Qatar.....
Egypt.....	10.00 FF Réunion.....
France.....	1.100 CFA Saudi Arabia.....
Gabon.....	3.000 CFA Senegal.....
Italy.....	1.250 CFA Spain.....
Jordan.....	1.250 JD Tunisia.....
Kuwait.....	700 Fils U.A.E. (Dir.).....
	U.S. M.L. (Dir.).....





## Strong Left Jab / And No Punches Pulled

## Italy's Reform-Minded Leader Doesn't Waste Time on Charm

By Alessandra Stanley  
New York Times Service

ROME — On his first vacation as Italy's prime minister, Massimo D'Alema took his family on a private visit to New York over Christmas.

His children wanted to see the Broadway musical "Cats" and the toy store FAO Schwarz. Mr. D'Alema, a former Communist, wanted to see what the world's leading superpower has to offer, so he also went to eat at the Tribeca Grill, the trendy downtown restaurant.

"It was nothing special," he said with a shrug. He then explained that there are only three cuisines in the world: French, Italian and Chinese. Italy, he said, was most important because it had given civilization its first real "proletarian dish," pizza. Pressed, Mr. D'Alema conceded that he had eaten well at one place in New York, Asia de Cuba, a Cuban-Chinese restaurant in midtown Manhattan.

Mr. D'Alema, who will turn 50 in April, became the first former Communist to lead a Western European government in October, and he underlines the word "former." But even in small talk he retains a trace of 1970s leftist hauteur.

Fiercely intelligent, confident and direct, the prime minister is also quite free of easy charm. As he himself recently confessed to a television talk show host, "As a child, I was *antipatico*," using an Italian word that means displeasing.

Like Socialist leaders now in power in Germany, France and England, Mr. D'Alema has distanced himself from the most ideological extremes of his party and recast himself as a moderate. So far, his economic and foreign policies have mirrored those of his predecessor, Romano Prodi, a centrist.

Mostly, Mr. D'Alema differs from the affable Mr. Prodi in background and personality. Mr. D'Alema's churlish assessment of American cuisine, delivered during an informal chat with foreign journalists in January, may have also been colored by his mood at that moment. At the time, the Kurdish rebel leader Abdullah Ocalan was in Italy and seeking political asylum there.

Mr. D'Alema was under intense pressure from Turkey and the United States to turn him over for trial in Turkey. The Ocalan affair was his first real foreign policy test as prime minister, and also his first taste of how the United States can squeeze an ally.

Mr. D'Alema refused to extradite Mr. Ocalan on the grounds that Italian law forbids the extradition of prisoners to countries with death penalties. The United States reacted harshly at first, then backed off publicly and switched to nagging private diplomacy. Turkey threatened economic boycotts and worse.

Mr. D'Alema, who is sympathetic to the Kurdish cause, initially suggested Italy might grant Mr. Ocalan political asylum. The United States, Turkey and his many political opponents at home bludgeoned him for it, and Mr. D'Alema began searching for other solutions.

Germany, which feared a blowup within its large Turkish and Kurdish minorities, refused to take him, even though Germany had outstanding warrants for his arrest. Hopes for an international trial dried up under Turkey's opposition. Italy finally asked Mr. Ocalan to leave in mid-January, and he ended up under Greek protection in Kenya. Turkish commandos captured him there, and he is now in a Turkish prison awaiting trial.

Mr. D'Alema, who sought a principled approach but eventually had to bow to realpolitik, views the episode as a learning experience — but for the United States and Europe, not for himself.

"If we defend the rights of the Albanians in Kosovo, and rightly so, then I think we have to also defend the rights of the Kurdish minority," he said in an interview in his office last week. He said he would raise the issue of Kurdish rights with President Bill Clinton at their first official meeting in Washington on Friday. "We cannot split up Turkey, but there are other national issues there which must be addressed by the West, by the United States and Europe together," he said.

But foreign policy is not the most urgent problem on the prime minister's agenda. Mr. D'Alema, who came into office pledging to reduce Italy's unemployment rate, which in some areas of the south is about 23 percent, is facing many hurdles.

Italy's economy in 1998 showed the slowest growth rate in Europe: 1.4 percent instead of the 2.5 percent goal the Prodi government set when Italy agreed to adopt the new European currency, the euro.

Mr. D'Alema has made it his mission to reform the chaotic and chronically unstable Italian electoral system and create a two-party system. He faces opposition from the conservative right wing, and even his allies are not exactly on board.



Prime Minister D'Alema, a former Communist, was criticized by domestic opponents and international allies for refusing to extradite Abdullah Ocalan.

This month, Mr. Prodi created his own center-left party, which is likely to further splinter the left.

Mr. D'Alema is the first Italian prime minister to hold weekly news conferences. Yet his relationship with the Italian press is not exactly cozy. One of his closest aides, Fabrizio Rondolino, his media adviser, was forced to resign last month after steamy accounts surfaced of Mr. Rondolino's newly published erotic novel.

Mr. D'Alema accepted his resignation but also attacked the "vulgarity" of the Italian media. Italian newspaper columnists paint Mr. D'Alema as arrogant and remote, but they have also attacked him for recent appearances on popular television shows intended to warm up his image.

Mr. D'Alema says the media assaults are the result of his unassuming honesty. "Perhaps mistakenly, I have always said what I thought," he explained.

But Mr. D'Alema is also heavily scrutinized for his Communist past. His parents were Communists, and his father was a high-ranking party official. As a child, Mr. D'Alema was sent to Soviet summer camp at Artek, the Soviet Union's most prestigious international "pioneer" camp on the Black Sea.

He mostly spoke French to fellow campers, he recalled.

"At the time, it was the international language of choice," (Mr. D'Alema now studies English during his lunch breaks, in an effort to improve his communication skills at NATO meetings and summit sessions of the Group of Seven leading industrial nations).

He was the head of the Young Communist League in the 1970s, and edited L'Unità, the Communist Party newspaper, from 1988 to 1990. In 1991, against the backdrop of the collapse of the Soviet Union, the Italian Communists splintered, and Mr. D'Alema left to form a non-Marxist party, the Democratic Party of the Left.

Mr. D'Alema, whose trip will be his fourth to the United States, said he is not anti-American, but he acknowledged that he sees the United States through the eyes of a leftist European intellectual.

And that includes a dim view of American popular culture.

But he admits being surprised by the success in America of the Italian movie "Life Is Beautiful," about the Holocaust.

"I never would have imagined it," he said. "It improved my image of the United States, the fact that this film could be successful there, because it is a film that forces one to think."

## 15 Killers Die In Ambush, Uganda Says

Compiled by Our Staff From Dispatches

RUHOMA, Uganda — Fifteen of the Hutu rebels who murdered eight tourists in Uganda have been killed in a Rwandan Army ambush, a Ugandan officer said Thursday.

Lieutenant Colonel Benon Biraro said the troops caught the Hutu marauders in an ambush after Ugandans pursued them across the border into the Democratic Republic of the Congo.

The officer said that the troops had set up an ambush on the road between Goma and Kisiro in eastern Congo after being alerted.

"The Rwandan Army killed 15 of them and suffered three casualties," Colonel Biraro said.

The ethnic Hutu rebels, who are fighting Rwanda's Tutsi-led government, abducted 31 foreign tourists from the Bwindi Impenetrable Forest National Park at dawn Monday.

They took 14 of their captives on a long trek through the jungle toward Congo and later massacred eight of them with clubs, axes and machetes. The remaining six were released with a message warning the United States and Britain to stop supporting the government of Rwanda.

A team of experts from the U.S. Federal Bureau of Investigation was in Kampala on Thursday investigating the massacre. Two Americans among those killed in the campground in the Bwindi park, where they had gone to view rare mountain gorillas.

Four Britons and two New Zealanders also were killed.

The president of Uganda, Yoweri Museveni, promised to hunt down the rebels and he appealed for international aid to track them down.

The rebels were among Hutu fighters who fled Rwanda in 1994 after killing more than 500,000 minority Tutsis and politically moderate Hutus in a government-orchestrated genocide.

A British survivor of the massacre, Mark Avis, 27, returned to Britain early Thursday with his New Zealand wife, Rhonda, also 27.

The Foreign Office was considering whether a team of police officers should be sent to Uganda to help track down the killers. (Reuters, AP, AFP)

## King Abdullah Turns to Moderate

Compiled by Our Staff From Dispatches

AMMAN — King Abdullah took his first major executive step on Thursday since succeeding King Hussein, dismissing his prime minister and replacing him with a veteran moderate politician.

The new cabinet rids the government of many who were loyal to Prince Hassan, the brother of King Hussein who was once expected to ascend to the throne.

King Abdullah asked Abdul-Rauf Rawabdeh, a member of Parliament and former deputy prime minister, to become prime minister and to head a 23-member cabinet.

He also named former Prime Minister Abdul-Karim Kabariti, whose 1996-97 government carried out tough economic changes and

distanced Jordan from Iraq, its former ally, as chief of Jordan's royal court.

Mr. Rawabdeh and his new cabinet, including three deputy prime ministers, took the oath of office in front of King Abdullah at the royal palace.

They face a challenging task of turning around three years of economic slowdown and steering Jordan, which has seen little benefit from its 1994 peace treaty with Israel, clear of tension over military conflict in neighboring Iraq and stalled peace talks between Israelis and Palestinians.

Mr. Rawabdeh, 60, replaces Prime Minister Faysal Tarawneh, whose Cabinet worked most of its six-month tenure under Prince Has-

san, who was in charge when King Hussein was receiving cancer treatment in the United States.

King Hussein, who died Feb. 7, deposed Hassan as crown prince on Jan. 25, accusing him of power grabbing and naming Prince Abdullah, his eldest son, as the successor to the throne.

Mr. Rawabdeh, a Hussein loyalist, is, however, known to maintain good relations with Prince Hassan.

The choice of Mr. Rawabdeh, as a supporter of Jordan's treaty with Israel and warm ties with the United States and Gulf Arabs, is another sign of King Abdullah's desire to continue his father's policies.

Officials said Mr. Kabariti was likely to play an influential role in



Abdul-Rauf Rawabdeh, who backed King Hussein's views.

foreign policy, while Mr. Rawabdeh, whose ministerial posts stretch back to 1976 but have been exclusively domestic portfolios, would follow a more Jordan-oriented agenda. (Reuters, AP)

## Northwest Faces

## Fine for Stunt Involving 747

The Associated Press

MINNEAPOLIS — The Federal Aviation Administration is seeking a \$33,000 fine against Northwest Airlines Corp. for arranging to have a B-24 bomber fly in formation with a jumbo jet to honor the jet's retiring pilot.

The agency said the maneuver last July with a 747 jet carrying 373 passengers was dangerous, careless and illegal.

The flight ended safely, but aviation regulations prohibit formation flying involving any aircraft carrying paying passengers.

In addition to the fine against the airline, the agency has proposed a \$1,000 penalty against the Northwest dispatcher who organized the event.

The aviation body also has proposed 90-day flying suspensions for the pilots who flew both aircraft.

Tony Molinaro, a spokesman for the agency, said the punitive actions were pending in order to give Northwest and the individuals involved time to respond.

"We certainly agreed that the incident was serious and we took steps to ensure that it wouldn't happen again," Jon Austin, a spokesman for Northwest, said Wednesday.

## TRAVEL UPDATE

## U.S. Fines Delta and Northwest

WASHINGTON (AP) — The government has fined Northwest Airlines and Delta Air Lines for failing to tell passengers that tickets they were buying actually would be fulfilled with service on another airline's planes.

Under so-called code-share arrangements, partner airlines can market another carrier's flights as their own. But the airlines must tell passengers at the earliest opportunity that they will be traveling on another carrier.

Transportation Department investigators called reservations agents for both Delta and Northwest and found that in a number of instances, the agents failed to disclose what was happening. On Wednesday, Northwest was fined \$45,000, half of which will be forgiven if it does not commit additional violations in the next year. Delta was penalized \$25,000.

## Finnish Controllers Extend Strike

HELSINKI (AFP) — Political and business leaders stepped up pressure Thursday on Finland's air traffic controllers to end a crippling strike that is costing millions of dollars a week and causing problems for industry.

Business leaders and opposition parties called on Prime Minister Paavo Lipponen to intervene after strikers rejected the latest pay offer. The strike is now in its fifth week.

The strikers are demanding pay increases of between 25 and 30 percent over four years, which they say would bring them into line with salaries elsewhere in Europe. The action has paralyzed all but 20 percent of domestic flights and disrupted around 10 percent of international services using the Helsinki airport.

## KLM Inspects Its 747s for Defect

AMSTERDAM (AP) — KLM, the Dutch airline, carried out special inspections on its fleet of 32 Boeing 747-200 jets after discovering a defect in a plane belonging to its Martinair subsidiary, a spokesman said Thursday.

"Boeing is starting an investigation and has warned all its customers, asking them to inspect their planes," said the Martinair spokesman, Udo Buys.

The defect, a 7-centimeter (2.8-inch) tear, was discovered Saturday in a brace that strengthens the fixture attaching the engine to the wing, said Hugo Baas, a KLM spokesman. Martinair described it as a "minor problem."



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## British Balloon Circumvents China

Reuters

LONDON — Two British balloonists attempting to circle the world nonstop successfully bypassed banned Chinese airspace on Thursday in one of the most difficult maneuvers of their journey.

Andy Elson and Colin Prescott passed within 50 kilometers (30 miles) of Hainan Dao island in the South China Sea and were continuing along the Chinese coast toward Taiwan.

China banned the British balloon from crossing its territory after the tycoon Richard Branson and the American adventurer Steve Fossett drifted into a banned zone of its airspace in December and did not land when ordered to do so.

Mr. Elson and Mr. Prescott had been flying low and slowly toward China to avoid entering its airspace.

The navigation around China was one of the most challenging aspects of the journey, the flight director, Ian Ashpole, said from the team's London support center.

Mr. Ashpole said the balloon was on schedule to catch the jetstream in the next 48 hours which will take it over the Pacific Ocean to Canada.

Elson, 45, and Prescott, 48, weathered their bumpiest ride Wednesday since taking off from Spain two weeks ago as thunderstorms shook their capsule over Thailand.

A Swiss-registered competitor balloon, which took off from Switzerland on Monday, will be allowed to fly over China.

A spokeswoman for the Breitling Orbiter-3 said the balloon, piloted by Bertrand Piccard of Switzerland and Brian Jones of Britain, was now above Mali.

## Trib Travel QUARTERLY

A new quarterly series that focuses on travel topics around the world.

March 8th

Herald INTERNATIONAL Tribune

THE WORLD'S DAILY NEWSPAPER

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

WEATHER											
Europe						Forecast for Saturday through Monday, as provided by AccuWeather.					
City	Today	High	Low	Today	High	City	Today	High	Low	Today	High
Algeria	12/25	64/53	52/48	12/25	74/64	Amman	64/53	12/11	52/48	12/25	74/64
Amsterdam	54/52	54/52	54/52	54/52	54/52	Beijing	54/52	54/52	54/52	54/52	54/52
Ankara	14/21	54/52	54/52	54/52	54/52	Bombay	54/52	54/52	54/52	54/52	54/52
Antwerp	54/52	54/52	54/52	54/52	54/52	Buenos Aires	54/52	54/52	54/52	54/52	54/52
Athens	10/15	42/38	38/34	10/15	42/38	Calcutta	54/52	54/52	54/52	54/52	54/52
Bahia	10/15	42/38	38/34	10/15	42/38	Chengdu	54/52	54/52	54/52	54/52	54/52
Bangkok	10/15	42/38	38/34	10/15	42/38	Chongqing	54/52	54/52	54/52	54/52	54/52
Batavia	10/15	42/38	38/34	10/15	42/38	Colombo	54/52	54/52	54/52	54/52	54/52
Bombay	10/15	42/38	38/34	10/15	42/38	Delhi	54/52	54/52	54/52	54/52	54/52
Buenos Aires	10/15	42/38	38/34	10/15	42/38	Dhaka	54/52	54/52	54/52	54/52	54/52
Calcutta	10/15	42/38	38/34	10/15	42/38	Hankow	54/52	54/52	54/52	54/52	54/52
Chengdu	10/15	42/38	38/34	10/15	42/38	Hong Kong	54/52	54/52	54/52	54/52	54/52
Chongqing	10/15	42/38	38/34	10/15	42/38	Kobe	54/52	54/52	54/52	54/52	54/52
Colombo	10/15	42/38	38/34	10/15	42/38	London	54/52	54/52	54/52	54/52	54/52
Canton	10/15	42/38	38/34	10/15	42/38	Manila	54/52	54/52	54/52	54/52	54/52
Cebu	10/15	42/38	38/34	10/15	42/38	Osaka	54/52	54/52	54/52	54/52	54/52
Delhi	10/15	42/38	38/34	10/15	42/38	Paris	54/52	54/52	54/52	54/52	54/52
Dhaka	10/15	42/38	38/34	10/15	42/38	Rangoon	54/52	54/52	54/52	54/52	54/52
Hankow	10/15	42/38	38/34	10/15	42/38	Shanghai	54/52	54/52	54/52	54/52	54/52
Hong Kong	10/15	42/38	38/34	10/15	42/38	Singapore	54/52	54/52	54/52	54/52	54/52
Kobe	10/15	42/38	38/34	10/15	42/38	Taipei	54/52	54/52	54/52	54/52	54/52
London	10/15	42/38	38/34	10/15	42/38	Tientsin	54/52	54/52	54/52	54/52	54/52
Manila	10/15	42/38	38/34	10/15	42/38	Yokohama	54/52	54/52	54/52	54/52	54/52
Osaka	10/15	42/38	38/34	10/15	42/38						
Paris	10/15	42/38	38/34	10/15	42/38						
Rangoon	10/15	42/38	38/34	10/15	42/38						
Shanghai	10/15	42/38	38/34	10/15	42/38						
Singapore	10/15	42/38	38/34	10/15	42/38						
Taipei	10/15	42/38	38/34	10/15	42/38						
Tientsin	10/15	42/38	38/34	10/15	42/38						
Yokohama	10/15	42/38	38/34	10/15	42/38						

مركز الأمان



THE AMERICAS

# With Book and TV Interview, Lewinsky Gets a Chance to Show Her Rage

By Amy Goldstein  
and David Streitfeld  
Washington Post Service

WASHINGTON — Monica Lewinsky has stepped into the limelight that has mostly swirled around her for the last year with the airing of a long-awaited television interview and the publication of a book that she has written about the scandal. Her own lawyer and even the president she loved.

Her book, which already shows signs of becoming an immediate best-seller, portrays Ms. Lewinsky as a victim of political enemies and faithless allies who trampled her privacy and emo-

tional well-being to promote their own agendas.

"Monica's Story" depicts the former White House intern as a bright, competent young woman who became so shattered by the scandal that she helped to sow that she relied on two kinds of anti-depressants and repeatedly contemplated suicide.

The account is the first time Ms. Lewinsky has voiced her rage at Mr. Starr. She decries the prosecutor's "squeeze tactics," accusing him of violating her constitutional rights through his aggressive investigation and saying that his team's interrogation of her before a grand jury left her feeling "emotionally raped."

She also delivers scalding broadsides against several important figures in her life, including her friend-turned-betrayer, Linda Tripp; a former attorney, William Ginsburg; a high school teacher who became her first lover, and ultimately, President Bill Clinton.

"The people who had betrayed Monica were people she knew, trusted and loved," wrote Andrew Morton, whom Ms. Lewinsky selected to tell her story because of his sympathetic biography of Diana, Princess of Wales.

For a nation already super-saturated with details of the 18-month presidential affair, the prosecutor's investigation and the impeachment trial in Congress, the book offers the perspective of Ms.

Lewinsky herself and several fresh facts.

Remarkably, the book and a two-hour television interview Wednesday night with Barbara Walters mark the first time that Ms. Lewinsky has voluntarily framed the episodes of the last year in her own terms. Even though she was a central figure in the drama that nearly cost Mr. Clinton his job, even though her image has become an icon around the globe, Ms. Lewinsky herself has been largely silent, save for the transcripts of her grand jury testimony last summer, her taped interviews played during the impeachment trial and several conversations that Mrs. Tripp, unbeknownst to Ms. Lewinsky, taped.

Wednesday amounted to opening day of a choreographed Monica blitz, in which the 25-year-old woman, who has been unemployed for more than a year, is beginning to remold her image and be paid at least \$3 million — and possibly much more — through various media outlets.

[About 70 million Americans watched some or all of Ms. Lewinsky's first media interview on Wednesday, ABC News said, making it the most-watched U.S. news broadcast ever, Agence France-Presse reported from Washington.]

Of the many forums in which Ms. Lewinsky is now spreading her point of view, "Monica's Story" is the most

unfettered account. Unlike her interviews with television and print journalists, the book is not controlled by her immunity agreement with Mr. Starr, which gives the prosecutor substantial control over whom she may speak publicly to and what she may discuss.

In the two-hour episode of Ms. Walters' interview on ABC, Ms. Lewinsky said that, while she still has warm feelings for Mr. Clinton, "sometimes I hate his guts, and, um, he makes me sick."

She said she was on medication now and had "a lot of healing to do."

Asked by Ms. Walters how she felt after the president's apology to the nation on Aug. 17, which did not mention her, Ms. Lewinsky said: "I felt like a piece of trash. I felt dirty and I felt used and I was disappointed."

As for the president, she said, "When I think of the person that I thought was Bill Clinton, I think he had genuine remorse. When I think of the person that I now see is 100 percent politician, I think he's sorry he got caught."

The book contains invective against the independent counsel and his staff that is absent from the Walters interview. It brands one of Mr. Starr's top deputies as "a pit-bull terrier" who was "more used to tough mobsters than to a sobbing young woman."

Criticizing Mr. Starr's "strong-arm tactics," the book raises questions about whether the independent counsel had improper contacts with attorneys working on the Paula Jones law suit, an issue that the Justice Department is scrutinizing.

In other passages of the book, Ms. Lewinsky says that she felt hurt and betrayed by Mr. Clinton, particularly in January 1998, when he stood before a thicket of television cameras, wagged a finger and vowed that he had never "had sex with that woman."

At the White House, a spokesman, Barry Ivins, said that Mr. Clinton did not plan to watch the interview and that he was unsure whether the president knew that the book had been published.

The book also paints a damning portrait of Mr. Ginsburg, the old friend of Ms. Lewinsky's father who was her main lawyer for several months last year.

Calling him "an enemy within," it says that the attorney's "inappropriate and often sexual comments added to her private pain and public humiliation." It also contends that he was more concerned with making media appearances than with advocating for his client.

Reached in Los Angeles, Mr. Ginsburg said: "Monica seems to need to blame someone for the activities of the last several years. She cannot blame her parents, because they're part of her support system. She can't blame herself, because that's not human."

"So I guess I'm one of the people she would like to blame, and I guess I have big enough shoulders to carry that blame."

Running through the account is repeated denial of Mrs. Tripp. The book's opening pages said Mrs. Tripp, who befriended Ms. Lewinsky while both worked at the Pentagon, had a "nasal New Jersey drawl" and "lumpy figure."

While portraying herself as unwitting victim, Ms. Lewinsky also is deeply self-critical and, at times, rips away whatever shards of privacy she had left. Although it has been known previously that she dated an older Pentagon colleague, she discloses that she learned she was pregnant and had an abortion after the three-month relationship.

The book paints an image of the affectionate yet adolescent nature of her affair with the president. She says that Mr. Clinton called her "Kiddo" when she passed him on occasion in the corridors of the White House and that she reciprocated, addressing him as "President Kiddo."

## CLINTON: Still the Main Man in Capital

Continued from Page 1

people who have spoken with him in recent days, is by turns angry and accepting of this paradox, aware that his survival in the impeachment ordeal is not going to produce anything like a clean break in stories about his conduct.

He has complained how the "unwelcome vapor trail" following him in recent days, as one aide described it, shows that news organizations and some conservative opponents are determined to prevent a return to a state of normalcy.

But the president's pessimism about the motives of his adversaries is interwoven with optimism: He apparently believes that Republicans, who are divided on issues and unpopular with voters in the wake of the impeachment trial, have no choice but to work with him on his terms.

"Yes, there are hard feelings, but at

the end of the day people are nothing else if not pragmatic," a senior White House official said. "Politics works by self-interest, and that means there is an incentive to work together."

The president set down his terms for working together Wednesday at a rally-style event with House and Senate Democrats at the Library of Congress. Warning about the risks of "excessive partisanship," he boasted that Democrats were more unified than ever on issues and challenged Republicans to join him in passing new national standards for education, devoting nearly two-thirds of the federal budget surplus to Social Security and agreeing that preserving Medicare requires a large new infusion of federal money.

"I think they want to get some things done, and the president is banking on it," said Donna Shalala, the secretary of health and human services, in a reference to the Republicans. She added that she had been struck in recent days by how "cordial" and "professional" once-combative Republicans had been toward her at appropriations hearings.

But even as Republicans must look past scandal toward policy, Ms. Shalala acknowledged that she was putting aside her own concerns about Mr. Clinton's behavior.

Asked about Juanita Broadrick's recent allegations that Mr. Clinton assaulted her 21 years ago in an Arkansas hotel room, Ms. Shalala said she had reached no conclusion about whether she believed Mrs. Broadrick or the terse denial issued by Mr. Clinton's lawyer — and she said she did not need to in order to do her job.

"I take all of this very seriously," Ms. Shalala said of Mrs. Broadrick's allegations, adding that "I do not compartmentalize" by making separate judgments about personal conduct and public performance. At the same time, Ms. Shalala said, "I'm both a patriot and a professional. I serve the nation and the president."

This allows her to pursue what she considers important issues on Mr. Clinton's behalf without knowing what to believe about his past.

In a sampling of administration officials, both in the White House and in agencies, Ms. Shalala was the only one willing to be quoted by name. But other interviews underscored the degree to which the scandal over his affair with Ms. Lewinsky had undercut Mr. Clinton's credibility even with people who work for him. Given assurances of anonymity, many people who serve the president said they long ago had reconciled themselves to the fact that there were parts of their leader's private life about which they could never be certain.

One veteran aide likened working for Mr. Clinton to being a Catholic who supports abortion rights: One simply tolerates contradictions.

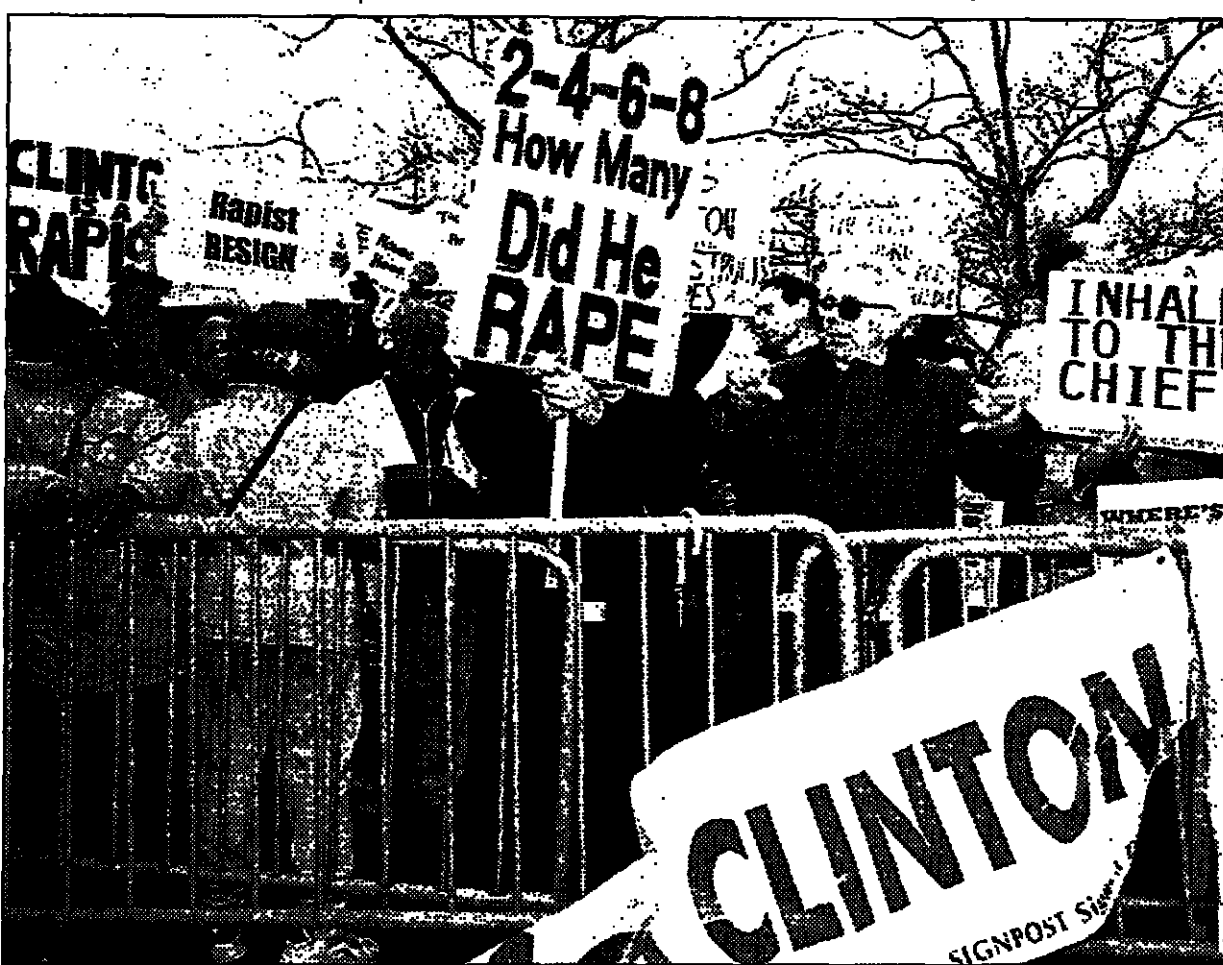
"Bill Clinton has got a problem," this official said. "If he weren't president, he would be in counseling."

Of the recent Broadrick allegation, another senior official said, "I think you have to be troubled by it. She seems very credible." On the other hand, this official, who has worked both in the White House and in a senior position at an outside agency, added: "The question is: What do you do with it? And why now? Why did she wait 20 years?"

Many other aides in recent days said they had found Mrs. Broadrick's allegations of forcible sexual assault implausible. Her story is far different, Clinton loyalists note, from the story of Paula Jones, who said Mr. Clinton did not force the issue when she turned down a crude sexual advance.

Some aides pointed to recent rumors suggesting that Mr. Clinton had fathered an illegitimate child with a prostitute. That story turned out to be false, according to the tabloid newspaper that first raised the issue. The lesson, these Clinton loyalists say, is that even if they cannot fully trust the president's denials, they know that many of the most sensational allegations about him fall flat.

"You have to live with some uncertainty," one of them said. "You just ignore it and do your job."



About 50 demonstrators in New Jersey taunting Mr. Clinton outside a \$1,000-a-ticket fund-raising dinner for Senator Robert Torricelli, a Democrat and a supporter of the president during the impeachment hearings.

## Harry Blackmun, Ex-Justice, Dies at 90

By Linda Greenhouse  
New York Times Service

WASHINGTON — Harry Blackmun, 90, the retired Supreme Court justice who was the author of the 1973 decision that legalized abortion in the United States and set off one of the most explosive political debates in the United States, died Thursday.

Justice Blackmun died at Arlington Hospital in suburban Arlington, Virginia, from complications following hip-replacement surgery on Feb. 24. He had fallen at home the day before and broken his hip.

He served 24 years on the nation's highest court after being appointed by President Richard Nixon in 1970. He retired in 1994.

When Justice Blackmun took his seat on the Supreme Court, few people would have predicted that this soft-spoken, 61-year-old judge, a lifelong Republican never known for breaking new ground or challenging the status quo, was about to embark on an extraordinary personal journey that by the time he retired would find him as one of the last remaining liberal voices on a transformed court.

Not even three years into his tenure, Justice Blackmun guaranteed his place

in the country's judicial, political and social history as the author of Roe v. Wade, which established a constitutional right for women to obtain an abortion.

In that opinion, on which Justice Blackmun labored for more than a year, the court found constitutional protection for "a right of personal privacy" that is "broad enough to encompass a woman's decision whether or not to terminate her pregnancy."

The vote in Roe v. Wade was 7 to 2, an indication that far from being solely the product of Justice Blackmun's personal vision, the decision reflected a broad consensus on the court that the time had come to end the criminal prohibitions against abortion that in 1973 were still retained by most states.

Nonetheless, it was Justice Blackmun who became the personal symbol of the abortion issue that assumed an increasingly dominant, and divisive, role in American politics. Abortion opponents flooded his chambers with tens of thousands of letters. "Think of any name," he said in a 1983 interview. "I've been called it in these letters."

Toward the end of his career on the court, as the majority in favor of a constitutional right to abortion dwindled, Justice Blackmun became another kind

of symbol as a grim survivor of what looked like a judicial counterrevolution. In 1989, the court voted in Webster v. Reproductive Health Services to uphold a Missouri law that restricted access to abortion. The 5-to-4 decision did not overturn Roe v. Wade, but indicated that the framework of the 1973 decision no longer commanded a majority.

Justice Blackmun, then 80 years old, read his dissenting opinion in a tense and hushed courtroom. "I fear for the future," he said. "The signs are evident and very ominous, and a chill wind blows."

In a 1992 decision that took much of the country by surprise, a new majority coalesced to preserve and even to solidify the constitutional right to abortion.

The case, Planned Parenthood v. Casey reaffirmed what it called the "essential holding" of Roe v. Wade.

Justice Blackmun did not agree with all of the opinion. He would have struck down all the regulations in the Pennsylvania law that was before the court, while the plurality opinion upheld most of them.

But in a separate opinion he wrote, "Just when many expected the darkness to fall, the flame has grown bright."

## POLITICAL NOTES

### Mrs. Clinton Gives UN Talk on Women

NEW YORK — On her testing-the-waters tour of New York City, Hillary Rodham Clinton said Thursday at the United Nations — one of the destinations suggested for her future — that women now enjoy "all kinds of possibilities where none had been dreamed of before."

In the noisy UN Trusteeship Council, where 1,000 filled the seats and hundreds more stood against the walls, the chamber erupted into a whooping, standing ovation as she stepped across the threshold.

"I think the revolution is on the move," Secretary General Kofi Annan quipped with a nod to "Madame Clinton," seated at the center of a dais lined with seven women.

Mrs. Clinton led the chamber in applauding Mr. Annan's comment that women are not "an incidental ornament for the men." (AP)

### \$1 Billion a Year Proposed for Parks

WASHINGTON — President Bill Clinton proposed Thursday devoting \$1 billion a year to preserving urban parks, wildlife areas and other "natural treasures," the White House said.

Mr. Clinton, who was to highlight the proposal at a 150th anniversary celebration of the U.S. Interior Department, aims to make permanent a one-year plan in his 2000 budget request, the White House said in a statement.

The proposal would allocate \$1 billion a year to land conservation aims, representing a 125 percent increase over current levels.

About half would go to support state and local efforts, with the rest for federal projects. (Reuters)

### Witness Smuggles Anthrax to Hearing

WASHINGTON — A leading U.S. expert on biological warfare walked through security at the Rayburn House Office Building carrying 7.5 grams of powdered anthrax in a small plastic bottle, proceeding directly to a hearing before the House Permanent Select Committee on Intelligence and displaying his deadly sample.

The expert, William Patrick 3d, said he was trying to show how a hostile state could smuggle powdered anthrax into the United States in a secure diplomatic pouch and attack major federal government installations almost at will.

"I've been through all the major airports, and the security systems of the State Department, the Pentagon, even the CIA, and nobody has stopped me," Mr. Patrick said. "Seven and a half grams would take care of the Rayburn Building and all the people in it." (WP)

### Quote/Unquote

Tom Daschle of South Dakota, the Senate minority leader, saying that a Republican proposal for a 10 percent tax cut would give people who earn \$800,000 an annual tax reduction of \$20,000 while families who earn \$38,000 or less would save 27 cents a day: "We believe America's families deserve better than 27 cents a day. They deserve good schools for their children. If they are sick, they deserve whatever treatment their doctor says they need." (NYT)

### Away From Politics

• Two men charged with the murder of a man whose body was set afire told investigators they killed him because he was a homosexual, police said. The victim of the Feb. 19 killing, Billy Jack Gaither, 39, of Sylacauga, Alabama, was known to both men. (AP)

• The American Red Cross named Steve Bullock as its new president, replacing Elizabeth Dole, who resigned in January to consider a run for the Republican presidential nomination. Mr. Bullock, 62, is the group's first black president. (WP)

• A 96-year-old man who struck and killed a 15-year-old girl with his car and then fled the scene was sentenced to five years' probation in Santa Monica, California. (AP)

## DEATH: Germany Complains of U.S. Unilateralism in Arizona Execution

Continued from Page 1

Cyanide pellets were dropped into a pan of sulfuric acid and water below his seat in the chamber.

Witnesses said that as the poisonous gas rose, he began coughing and gagged several times. A few minutes later, his head slumped. He coughed again, raised his head a last time, and pitched forward. He was pronounced dead at 9:30 P.M.

"This is barbaric and unworthy of a state based on the rule of law," said Herta and Paul Amirian, the German justice minister. "It is appalling the way the death penalty is celebrated in Arizona and used to help governors and state prosecutors win re-election."

Germany, like all European Union states, has no death penalty. Both Miss Daubler-Gmelin and Joschka Fischer, the foreign minister, had appealed for clemency, saying the LaGrands had been denied their rights as German citizens

because prosecutors did not inform the German Consulate of their arrest in 1982 until a decade later.

But Governor Jane Hull of Arizona rejected the appeals, saying the LaGrands had enjoyed the same rights any American citizens would have had.

Arizona officials, however, conceded that the Vienna Convention — under which the LaGrands should have been advised of their right to consular assistance at their trial — had not been observed.

This apparent decision to ignore a convention of which the United States is a signatory enraged Germans on Thursday.

"International laws were violated," said Claudia Roth, an environmentalist Green politician, "and that is unacceptable." Miss Roth called in Parliament for international sanctions against the United States.

Resentment has been rising here against what is sometimes called "American unilat-

eralism," and the way the LaGrands were executed added to this sentiment. A similar refrain is heard in France, where a new word, *hyperpuissance*, or hyperpower, has been coined to portray what the French see as the arrogant American exploitation of an unprecedented combination of political, cultural, military and economic power.

"This is another example of America setting its own priorities higher than international law," Mr. Voigt said. "For Germany, international law is the very foundation of our postwar identity, so we find this deeply disturbing. It is unilateralism at its worst."

Before his execution, Walter LaGrand's case was heard Wednesday in the International Court of Justice in The Hague. After a special half-hour hearing, the court urged the U.S. government to use "all measures at its disposal" to prevent the execution. But the court has no enforcement powers and its appeal was ignored.

## Disabled Students Win Court Ruling

By Linda Greenhouse  
New York Times Service

WASHINGTON — Students with disabilities who require special care during the school day are entitled to that care at public expense, the U.S. Supreme Court has ruled, as long as the services can be provided by someone other than a doctor.

The 7-to-2 decision issued Wednesday upheld lower court rulings that required an Iowa school district to provide a trained aide to monitor the needs of a quadriplegic boy who was dependent on a ventilator.

It was a substantial victory for families of children with disabilities, who have become increasingly assertive about their rights under federal law and

who in many cases have met resistance from school districts burdened by the mounting costs of special education.

Without someone available at all times, the boy would not have been able to attend school. The question was whether the parents had to pay for the full-time aide or whether the school district had that obligation under a federal law, the Individuals with Disabilities Education Act, which guarantees a "free appropriate public education" to students with disabilities. The law provides that in addition to special education, school districts must pay for "related services" but need not pay for "medical services."

In ruling for the family, the court adhered to its view in a 1984 case that as long as a student's physical needs can be met by someone who is not a doctor, the

required services do not fall within the excluded "medical services" category.

The Cedar Rapids Community School District in Iowa had argued that the question should be not whether a doctor or someone else provided the services, but rather how complex, continuous and expensive the services were, a "multi-factor test" requiring a detailed analysis of each case.

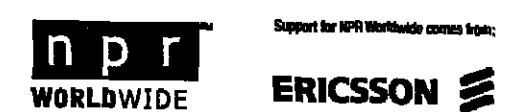
Although the district argued that the cost would be more than \$20,000 a year, the majority opinion disputed this, noting that the boy, Garrett Frey, was already entitled to an aide who turned pages for him and kept his desk in order.

"This case is about whether meaningful access to the public schools will be assured," Justice John Paul Stevens said in the majority opinion.

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## INTERNATIONAL

## Nigeria Grants Pardons to 95 Imprisoned by Ex-Dictator

Compiled by Our Staff From Dispatches

ABUJA, Nigeria — Nigeria's military government granted state pardons on Thursday to 95 political prisoners, including a former deputy junta leader languishing on death row for allegedly launching a coup against the former dictator, General Sani Abacha.

It was the latest in a series of steps to lower the political temperature since the death of General Abacha in June 1998. His successor, General Abdulsalam Abubakar, freed dozens of political detainees in the first weeks after he came to power, and he has embarked on moves to restore civil rule.

"All those involved are to be released immediately," Nigeria's No. 2, Admiral Mike Akhigbe, said in the capital, Abuja, after a meeting of the ruling military council.

Some political analysts said the pardons had been granted in an attempt to calm unrest by anti-government militants, who have rioted and conducted a series of attacks since Monday on police stations and barracks in Lagos. At least 11 people are reported to have been killed in the disorder.

The attacks have been linked to radical youths who espouse separate statehood for the Yoruba people of southwestern Nigeria and who are protesting the election last weekend of Olusegun Obasanjo, a former military leader, as president.

Late Wednesday, the police increased security around Mr. Obasanjo's farmhouse in Ota, about 100 kilometers (60 miles) north of Lagos, after a police station in Ota was attacked, police officers said on condition of anonymity. One policeman was killed in the attack on Wednesday, the officers said.

Among the prisoners freed Wednesday were senior military officers, including a former deputy junta chief, General Oladipo Diya, who has been on death row since early last year for allegedly plotting to overthrow General Abacha.

A senior military officer, Vice Admiral Okhai Akhigbe, said the pardons had been granted "in the spirit of reconciliation," state radio reported.

Also released were 16 soldiers and officers jailed since 1995, allegedly for plotting a coup against General Abacha, who immorally jailed and sometimes killed his rivals and human rights campaigners.

Many if not all of the alleged coup plots that sent soldiers to prison are widely thought to have been invented by General Abacha as pretexts to imprison his political enemies.

The 95 also included Niran Malolu, editor of a Lagos newspaper, The Diet; a former minister of works and housing, Major General Abdulkarim Adisa; a former communications minister, Major General Tajudeen Olatunji; and a former state governor, Colonel Lawan Gwadabe. (Reuters, AP)



TAPPED OUT — A bus burning in Bhayander, a town about 50 kilometers north of Bombay, after it was set ablaze by Indians protesting Thursday against a lack of drinking water there for more than a week.

## Taleban Rift With bin Laden Reported

By Tim Weiner  
New York Times Service

WASHINGTON — The suspected terrorist Osama bin Laden and the Taleban, his protectors in Afghanistan, have had a violent falling-out, raising the possibility that his days of refuge may be numbered, according to senior American officials.

Three American officials and two representatives of the Taleban, which is the armed religious movement that runs Afghanistan, said Wednesday that a fight had broken out three weeks ago in Kandahar among Mr. bin Laden's bodyguards and a group of Taleban officials assigned to watch over him.

After the fight, the officials said, Mr. bin Laden was expelled from Kandahar, the Afghan city in which he had taken refuge with his family. He was transported to an isolated location in the Afghan countryside and stripped of his satellite telephones, which U.S. officials said allowed him to plot with fellow radicals throughout the world.

"There is friction between him and the Taleban," a senior U.S. official said. "They have tried to constrain him for the first time and tried to limit his communications."

"It's a good sign," the official said, since it indicates that Mr. bin Laden, the Saudi exile indicted on charges of masterminding the deadly bombings of two American embassies in Africa in August, may have worn out his welcome with the Taleban, which has sheltered him since 1996.

The Taleban previously had shown no sign it was willing to deliver Mr. bin Laden, American officials said. But one senior official said the Taleban had sent a clear signal that its desire to protect Mr. bin Laden was waning.

Abdul Hakim Mujahid, a senior

Taleban official and the group's UN representative, said the fugitive had become a problem for his hosts. "His presence is not a benefit to the people of Afghanistan," he said, but "a puzzle for the Afghan leadership" to solve, because the Islamic Taleban cannot be seen to betray a fellow Muslim.

The senior U.S. officials said they were not certain of Mr. bin Laden's current location. Officially, the Taleban say they have no idea about Mr. bin Laden's whereabouts. Privately, they are pondering what to do with him, a second Taleban representative said.

They have sent an emissary to the United States asking how to deal with him without being seen to double-cross him, and they have asked Saudi Arabia if it would take care of his wives and children, said the Taleban representative, who requested anonymity, as did

the American officials.

Though mutual mistrust complicates any cooperation, the Taleban's leaders have at least three ways to deal with him that would be acceptable to the United States, senior American officials said:

- They could secretly arrange for members of another nation's intelligence service to learn of his whereabouts.

- They could deliver him discreetly to a neighboring country, where American law enforcement and intelligence officers could try to apprehend him.

- They could keep Mr. bin Laden firmly under control, incommunicado, in the hope that he might dwindle away as a source of anti-American terror.

Some American officials think this last solution the best, since it holds no risk of making Mr. bin Laden a martyr, which could inspire fresh attacks against the United States from his followers.

## ALBRIGHT: Rambouillet Stint Criticized

Continued from Page 1

she was making it more unlikely that air strikes would be used. For example, she ignored yet another NATO-backed bargaining deadline in prolonging the Rambouillet talks to bring ethnic Albanians back to the table.

In the end, the Rambouillet talks were suspended so the ethnic Albanian negotiators could consult political and guerrilla leaders about the plan for NATO-guaranteed autonomy in Kosovo, and the delegation is now being transformed into a provisional Kosovo government, excluding hard-liners holding out for independence. In Belgrade, President Slobodan Milosevic continues resisting the Rambouillet plan for a NATO peacekeeping force.

When negotiations resume, Mrs. Albright's success could have unintended consequences, officials and analysts said, if European governments' satisfaction that the Serbs and Kosovars were finally talking increases the allies' reluctance to go along with U.S. calls for air strikes to obtain Serbian concessions.

Mrs. Albright's often strident brandishing of military threats, which earned her the nickname "Madame Bomber" among her detractors in Paris, left a disturbing impression among European officials that she was trigger-happy or, worse, blustering. A British official complained that "she was speaking loudly and carrying a toothpick, not a big stick, in her handbag."

Instead of intimidating the Yugoslav leader, she "probably increased skepticism about the credibility of NATO military action," according to a senior policymaker in Europe.

"If NATO failed to act against Serbian troop build-ups or even after the massacre of civilians in December, why would anyone think that the alliance will steel itself to launch air strikes now that there is at least a semblance of talking going on?" he asked.

Indeed, Rambouillet, intended to make the warring factions accept a settlement, may have had the opposite effect by showing both Serbs and Kosovars that they can alternate talking and fighting and pursue the civil war apparently sought by extremists in both camps, according to Jonathan Bly, director of studies at the Royal United

Services Institute in London.

In his view, Mrs. Albright made a crucial mistake in assuming a separate role in Rambouillet, because that shattered the facade of trans-Atlantic unity that had been crafted to convince the warring factions that they had no scope to exploit divergences between the United States and its allies.

The diplomatic script for Rambouillet cast the Europeans, notably France and Britain, co-sponsors of the talks, in the leading roles with prime responsibility for the negotiations and their aftermath, presumably either NATO bombing or a NATO-led peacekeeping force largely staffed with European troops, not U.S. forces.

This formulation, while masking the fact that U.S. muscle remained the core of Western action, had the advantage of reducing the risk of congressional opposition to a U.S. role in Kosovo and thus bolstering NATO's credibility.

In the climactic final hours at Rambouillet, the talks turned into a test of U.S. credibility when Mrs. Albright's European colleagues slipped into the wings while she was in the spotlight trying to woo the ethnic Albanians into reconsidering the peace plan and NATO security guarantees.

Officially, her claim that bombing remains an option is backed by London and even by Paris, where officials want to avoid a public quarrel with Washington over a theoretical problem that they do not expect to confront in practice. Unless confronted with a black-and-white challenge such as Serbian atrocities against Kosovo civilians, NATO seems unlikely to get approval for air strikes from European governments.

"Symbolically, they bowed out at Rambouillet, signaling to their electorates that they can depend on the United States to produce solutions," a NATO official said. Phrasing it more diplomatically, Robert Hunter, the U.S. delegate to NATO during Mr. Clinton's first term, said that Mrs. Albright's threats of NATO air strikes might have been more credible if they had come from Robin Cook, the British foreign secretary and Hubert Vedrine, the French foreign minister, "because their countries are known to be reluctant to go down that road."

Defending Mrs. Albright's action, James Rubin, the State Department spokesman, said that she had to take the reins because the European governments had shown themselves, once again, unable to handle a major crisis on their own doorstep. In his account, Mrs. Albright was essentially reprising the intensive brokering done by Richard Holbrooke, a U.S. envoy, in handling previous showdowns with Belgrade.

But that comparison betrays a serious misreading of the Rambouillet situation, Mr. Eyal said, by "implying that there was a deal to be done, that both sides were exhausted enough to want a settlement," as the warring parties in Bosnia did in the Dayton talks run by Mr. Holbrooke.

Mr. Zoellick put his finger on the same problem when he said that she seemed to ignore evidence at Rambouillet pointing to deep flaws in her overall approach to Kosovo.

Mrs. Albright has voiced no second thoughts about Rambouillet, concentrating instead on getting assent from the ethnic Albanians.

## Mexico's Ruling Party, at 70, Ends a Tradition

Reuters

MEXICO CITY — Mexico's ruling Institutional Revolutionary Party marked its 70th birthday Thursday with a call to hold an open presidential primary for the first time in its history, ahead of crucial elections in 2000.

The world's longest-ruling political party, it has been in power since its foundation in 1929 but faces its toughest challenge yet in elections next year amid growing support for parties on its left and right.

At a ceremony celebrating his party's anniversary, President Ernesto Zedillo said he would break from tradition and not handpick the party's presidential candidate.

"Today I reiterate with absolute clar-

ity that I will not designate the PRI's candidate for the presidency of the republic," Mr. Zedillo said in a speech interrupted by applause from cabinet ministers, governors, legislators and party cadres — a handful of them with presidential ambitions of their own.

Under the Mexican Constitution adopted in 1917 after the country's bloody revolution, presidents may not be re-elected after their six-year term. But the party has guaranteed continuity through the use of the so-called presidential *dedazo*, or pointing out, whereby the sitting president chooses the party's candidate, dictating his successor.

The process has been criticized as undemocratic and arcane, particularly in the face of eroding popularity for the

governing party after repeated economic crises and political scandals in Mexico.

Mr. Zedillo said he would use all the influence at his disposal to ensure that the party's new internal democracy is respected — an apparent warning to old-guard party hard-liners who might try to seize the opportunity to gain control of the candidate selection process.

The president called for party members to clearly define the rules for candidate selection by May 15.

Mariano Palacios, the party's national president, said leaders would start next week hammering out rules for nominating the presidential candidate. Party officials said they expected the candidate to be picked by October ahead of the July 2000 elections.

## X-Rays of a Hair Can Detect Breast Cancer, Researchers Find

By Rick Weiss  
Washington Post Service

WASHINGTON — Sophisticated X-ray studies conducted on a single hair may reveal whether a woman has breast cancer and could ultimately help doctors diagnose other cancers, new research suggests.

The surprising link between breast cancer and microscopic changes in hair structure remains unexplained, said Veronica James, who led the research at the University of New South Wales in Australia. Others cautioned that, although the test appeared highly accurate, it had been tested on too few women to show how useful it would be.

If the test's value is confirmed, however, it could

be done for a few dollars on hairs received by mail and could be offered to women without access to mammograms, said Tom Irving of the Illinois Institute of Technology in Chicago.

Mrs. James, Mr. Irving and three colleagues found that hairs from breast-cancer patients generated atypical X-ray images when they were exposed to high-intensity beams from a synchrotron, a radiation-generating machine bigger than a football field.

The technique sometimes erred if women had permed or colored their hair in the past three months. But when Mrs. James switched to public hair, the results were 100 percent accurate.

Combined results of scalp and pubic-hair tests, published Thursday in the journal *Nature*, were positive for all 23 women diagnosed with breast cancer.

Only some of the women had undergone treatment, so the test was not responding to that. And none had been treated with chemotherapy, which affects hair.

Inexplicably, the test was also positive for all five women who did not have cancer but who had both a family history of breast cancer and a mutation in the BRCA1 gene, which together confer high odds of getting breast cancer.

It was also positive in one of eight healthy women with a family history of breast cancer but no BRCA1 mutation and in three of 20 healthy women with no special risk factors.

Stuart Yuspa, a hair expert at the National Cancer Institute, said of the test: "The implications are very important. But at this point it seems preliminary, and people should not jump to conclusions."

## PILOT: Court-Martial Clears U.S. Marine Aviator in 20 Ski Lift Deaths in Italy

Continued from Page 1

this month. Charges against crew members who were in the rear cockpit during the accident were dropped last summer.

The Marine Corps had been accused of bowing to political pressure created by outrage in Italy over the accident, and the verdict brought renewed criticism.

"I think it's time, now that the truth has come out in the courtroom, for the Marine Corps to look back at how this trial came about, and I think it's time for Congress, perhaps, to look at the Marine Corps once all these issues are resolved."

## INDONESIA: Bank Reform Stalled

Continued from Page 1

announcement.

But in an interview with a local newspaper, Bisnis Indonesia, he scoffed at the suggestion that a single business executive could delay a major government decision.

Executives here said that in the past few days, Bank Nusa Nasional has raised enough capital to stay alive.

Under the government's ambitious plan, it would carve bad loans out of the banks and inject \$34 billion in fresh capital into them. But first, it would winnow out banks that are hopelessly indebted.

To avoid being closed, the banks must prove they can increase their capital to 4 percent of their total assets.

The government would provide 80 percent of the funds to do that. But the banks must raise the other 20 percent.

Even with such massive government support, that is an impossible task for many Indonesian banks.

and look at what went wrong," Mr. Spinner said at a news conference after the verdict.

Speaking briefly before reporters, Captain Ashby did not discuss the verdict or take any questions.

"All I really want to say is this has been a tragedy for all involved, and my heart, my thoughts and prayers go out to the victims of this tragedy," he said. He did not answer a question about whether he would ever fly again for the Marine Corps.

The accident ended the lives of 20 people from countries across Europe, including seven friends from one town in Eastern Germany, a mother from Poland and her 12-year-old son, and a Belgian law student and her fiancée.

"They're in shock about this verdict," said John Arthur Eaves, Jr., an attorney representing some of the family members, many of whom attended the trial.

The U.S. government had alleged that Captain Ashby was flying too low and too fast during a low-level training mission when his Prowler EA-6B hit cables carrying the gondola near Cavalese, Italy, on Feb. 3, 1998.

Jury members declined to comment, citing the pending cases.

**Indignation and Shock in Italy**  
Italians were stunned and indignant at the acquittal, The Associated Press reported from Rome.

"It's a shameful verdict," said Klaus Stampfl, the son of one of the victims, Maria Steiner, 60, a retired shopkeeper from northern Italy.

"It was certainly not a serious trial, not as serious as it would have been in Italy," said Mr. Stampfl, who attended a few sessions of Captain Ashby's trial. "I had the impression that they were almost having fun at the hearings."

Maria Steiner was one of three Italians who were killed, along with two Poles, seven Germans, five Belgians, two Austrians and one Dutch person.

"The verdict is disturbing," Prime Minister Massimo D'Alema of Italy told RAI state television in an interview from the United States, where he was to meet Friday with President Bill Clinton. "We expected that justice would be done."

"We are asking for justice and we shall explore all the legal ways to ensure that those who are responsible are held liable," Mr. D'Alema said.

The mayor of Cavalese, Mauro Gilmozzi, called the verdict "the defense of a war machine."

Achille Occhetto, the president of the foreign affairs committee of the Italian Chamber of Deputies, said: "In the face of many dead and such clear responsibility, this verdict is an act of arrogance and perversion."

## Inspector Fears Spy Charge Crimps UN Arms Hunt

By John M. Goshko  
Washington Post Service

NEW YORK — The chief of United Nations arms inspectors says that allegations that the United States used its organization to spy on Iraq could jeopardize arms control by making governments suspicious about whether ostensibly independent verification is a cover for espionage.

"If people think they're entering into serious arms control verification regimes and find that someone's sneaking in through the back, then we're in serious trouble," said Richard Butler, the Australian diplomat who is executive chairman of the UN Special Commission that is charged with finding and eliminating Iraq's weapons of mass destruction.

Mr. Butler took part in what was billed as "a conversation" with a public television interviewer, Charlie Rose, at the Council on Foreign Relations in New York to respond to an article Tuesday in The Washington Post. It

said U.S. intelligence agents used inspection teams of the Special Commission, without Mr. Butler's knowledge, to obtain information for the Clinton administration's campaign against President Saddam Hussein of Iraq.

Asked what he knew about the allegations, Mr. Butler replied: "My answer couldn't be simpler. Nothing."

He asked rhetorically: "Did someone piggyback on us for their own purposes? I don't know."

Mr. Butler noted that "U.S. sources have shifted their position a few times" when asked to confirm whether the United States, as reported, penetrated the Special Commission for its own intelligence purposes, and he said he will try to find out exactly what the U.S. involvement was.

However, he insisted "the core issue" is not whether the United States spied on the Iraqis but Iraq's systematic and defiant insistence on doing everything it could to prevent the United Nations from learning the truth about its prohibited weapons.

## TRADE: EU Warning to U.S.

Continued from Page 1

Although the new U.S. tariff sanctions were conditional, U.S. officials said Wednesday, European importers will have to post bonds with the Customs Service to cover them, a step that would effectively price most of the goods out of the U.S. market.

Although the penalties technically would not be collected unless a World Trade Organization panel approved the amount involved — a ruling that is expected in a few weeks — the move would inflict immediate pain on producers, shippers and importers by making it risky for them to continue transporting the targeted goods into the United States.

Separately, the U.S. House of Representatives voted Wednesday to ban the British and French supersonic jetliner, the Concorde, from landing in the United States. The measure now goes to the Senate.

The ban would be retaliation for a European ruling that would stop many older American airplanes from landing in Europe. American officials contend Europe's restriction is intended to promote the sale of new engines and aircraft made by European manufacturers.

The European Commission, the EU's executive arm, made it clear it had no intention of abandoning its plan to outlaw the use of so-called hush kits on noisy aircraft from April 1, 2002, despite the U.S. threat to ban Concorde.

"We have no intention of reversing a decision that everyone in Europe supports," a spokeswoman, Sarah Lambert said, according to Agence France-Presse.

Sir Leon, the European trade commissioner, said Thursday that the EU would not respond to the new U.S. tariffs linked to the banana dispute until the World Trade Organization ruled on the dispute, a gesture that appeared to leave a door open for negotiations in the coming weeks.

"Our door remains open," said a spokesman for the U.S. trade representative, Charlene Barshefsky. "Our No. 1 objective would be to achieve a negotiated solution."

But Ms. Barshefsky herself made clear that Washington would not back down on sanctions, and she said it was up to the Europeans to amend their banana import system rather than seek to drag out the WTO appeals process.

"Bananas is a case where Europe has four times lost on the question of whether its banana regime is legal under global rules," Ms. Barshefsky said in Beijing.

## BRIEFLY

### British Jets Strike Iraqi Defense Site

LONDON — British warplanes attacked an air defense site near the southern Iraqi city of Basra, on Thursday, defense officials said.

"I can confirm we have attacked an air defense site near Basra," a spokesman said. "I'm afraid no other details are available. All our planes involved returned safely."

Britain earlier announced that the rules of engagement covering its joint patrols with the United States of the Iraq no-flight zones have been changed in response to an increasing number of attacks on their pilots.

Defense Secretary George Robertson told Parliament in an emergency statement that the operations were still "purely defensive" in nature and that strikes against Iraqi military sites were in response to precise attacks aimed at allied pilots. (Reuters)

### Cuba Calls Its Foes U.S.-Paid Traitors

HAVANA — The Cuban government, responding to foreign criticism over its trial of the island's best-known opposition figures, denounced the dissidents on Thursday as U.S.-funded traitors and mercenaries.

"Those who so repugnantly act in the service of the power which attacks our country are more than just violators of one or various articles of the penal code; they are real traitors to the nation," said the Communist Party daily Granma in a sternly worded front-page article that ran over three pages.

Cuba tried the so-called "Group of Four" dissidents for sedition, blocked foreign observers from the court and temporarily rounded up scores of its opponents. (Reuters)

### For the Record

South Africa's Truth Commission rejected Thursday an unusual bid for collective amnesty from 27 senior members of the governing African National Congress for abuses under their authority during the anti-apartheid struggle. (WPI)



EUROPE

# Kosovo War Gives Cover for Murder

## Serb Villagers Live in Fear of Nighttime Abductions by 'Terrorists'



By Carlotta Gall  
New York Times Service

VELIKA HOCA, Yugoslavia — The whole village turned out, some 300 people gathered on the hillside beside a small 12th-century Serbian Orthodox chapel. They were burying a villager, a man of 42, who was kidnapped Saturday and handed back dead a few days later.

Peasant women in homespun aprons and head scarves, and men, mostly farmers, their hands in their pockets, climbed the mud track and stood among the graves in the sunshine.

Dobrivoje Savalic was a victim of a sinister trend in the war in Kosovo. While Serbian forces and guerrillas of the Kosovo Liberation Army are engaged in a series of clashes around the province,

there is a less obvious war in which people disappear, or are killed stealthily, often at night and often close to home.

The killings are almost always unexplained, but most seem to be score-settling or revenge attacks between Serbs and ethnic Albanians.

The district around this Serbian village in southwestern Kosovo has seen almost one killing a day in the last two weeks. "They are criminal acts of murder," said one international monitor working in the region. "Eight people were killed in as many days. You cannot attribute the murders to either side; they are just dead bodies on the side of the road."

Mr. Savalic, a father of three, had gone with his brother just beyond the village to chop wood. They were kidnapped by armed men and beaten, according to villagers. Three days later they were handed back — Dobrivoje Savalic dead and his brother badly injured.

It is not clear who the kidnappers were, but they were almost certainly ethnic Albanians. International monitors from the Organization for Security and Cooperation in Europe arranged the return of the beaten man and his brother's body through members of the Kosovo Liberation Army, who were apparently very embarrassed by the incident.

There was no doubt in the minds of the residents of Velika Hoca as to who was guilty. Emotions spilled over inside the tiny chapel, as mourners brushed by the centuries-old frescoes on the walls to lay flowers on the open coffin and kiss the body. Men wept, and the dead man's father collapsed outside on the grass.

"It is hard to say farewell to Dobrivoje, killed by terrorists," a mourner said in a speech over the grave. "His death renews all our memories of kidnapped relatives and friends of the past months."

"They want to empty Kosovo of all Serbs," he went on. "Nothing is safe from the terrorists, not family nor children."

The Serbian authorities, and almost all Serbs in the ethnic-Albanian-dominated province, describe the guerrillas as terrorists. Velika Hoca, and the neighboring village of Zociste, are purely Serbian and lie in an area controlled by the rebels. Wooded hills rise up around the village and the villagers say they are trapped.

Serbian police regularly, and a police armored vehicle guarded the road during the funeral. But the villagers are mostly left to themselves.

The Reverend Milenko Dragicevic, the Orthodox priest who gave a graveside sermon, said later: "Outside of Hoca, beyond what you can see, there is no more freedom anymore. That was the point of my speech. They went out of this cradle and look what happened."

After the service, Mr. Dragicevic said he knew of 40 cases of missing Serbs since the war began a year ago. Es-



The body of Dobrivoje Savalic lying next to his grave before burial Wednesday. A Serb villager, Mr. Savalic was chopping wood with his brother when they were kidnapped, allegedly by ethnic Albanian rebels.

timates for missing ethnic Albanians range from dozens to hundreds.

Among the mourners in Velika Hoca were five Serbian women who said they had been forced at gunpoint to leave their homes one night in July. The men were separated from the women and were marched into the woods. Since that night, the 16 Serbian men have not been seen.

"We do not know if they are alive or dead," said Petra Costic, who lost two sons that night. "We just want to know what happened."

The ethnic Serbs in Kosovo represent only 10 percent of the population, and despite the heavy presence of the Yugoslav Army and of police, the village communities feel at risk. They invariably express a determination to stay on in their ancient villages where their ancestors are buried, but their determination is a mixture of aggression and fear.

"I have never thought of leaving," said Mrs. Costic. "I am not a politician. I do not know these things. I am just a mother fighting to know if my sons are alive or dead."

### Four Serbs Reported Killed

Serbian sources said four Serbs, including two from the security forces, were killed in Kosovo on Thursday, Reuters reported from Pristina, the provincial capital.

Serbian security forces continued to show a heavy presence throughout Kosovo, with troops and armored vehicles moving around on main roads.

The sources said two Serbian brothers and a policeman were killed in separate incidents overnight and that the soldier son of one brother was missing. A Serbian Army officer was also killed in fighting on Wednesday.

## BRIEFLY

### Ex-Mistress Accuses Dumas in Scandal

PARIS — Roland Dumas, a former foreign minister, was accused Thursday by his former mistress in a wide-ranging investigation into corruption at the French oil giant Elf Aquitaine.

Denying previous statements, Christine Deviers-Joncour admitted in an interview that she had bought a dozen antique Greek statues for Mr. Dumas with 264,029 francs (\$44,000) provided by Alfred Sirven, a former Elf-Aquitaine executive, and said he pledged in 1989 to find her a job with the conglomerate, then owned by the state.

The statements, issued both in an interview with the Paris-Match magazine as well as to investigating magistrates, threaten to trigger new legal action against Mr. Dumas who, as head of the Constitutional Council, is fifth in the state hierarchy.

Mrs. Deviers-Joncour's turn-about followed 15 months of interviews and statements to magistrates in which she and Mr. Dumas denied that he found her a job as a lobbyist for Elf or that he benefited personally. (AFP)

### Suicide Bomber Succeeds in Turkey

DIYARBAKIR, Turkey — A suspected Kurdish suicide-bomber killed herself and wounded four civilians on Thursday in an attack in the southeastern city of Batman, according to security officials.

They said the woman, thought to be a member of Abdullah Ocalan's Kurdish Workers Party, set off a bomb in the main square.

The security officials said that the target of the attack was a police station in the square, but that the bomb exploded before the woman reached the building.

Turkey has seen sporadic violent protests against the capture of Mr. Ocalan last month by Turkish special forces in Kenya. He faces a possible death penalty. (Reuters)

### For the Record

The trial of the last living World War II concentration camp commander, Dinko Sakic, was adjourned in Zagreb, Croatia, on Thursday shortly after it opened, when the defendant was declared unfit to stand trial. (Reuters)

## Deadline for Coalition in Ulster Looks 'Difficult,' Britain Says

LONDON — Britain may set a new deadline for setting up a coalition cabinet-like executive in Northern Ireland if current attempts to break a stalemate do not succeed by Wednesday, a spokesman for Prime Minister Tony Blair said Thursday.

Stressing that the original date next week was a target rather than a deadline, the spokesman said, "March 10 is looking difficult."

Asked whether the government might set a firm deadline to force a breakthrough in talks, he agreed but declined to say what might happen if it were not met.

During negotiations a year ago on the Belfast peace agreement, Mr. Blair successfully used the tactic of a firm deadline for agreement to pressure the warring politicians to compromise.

Implementation of the peace agreement has been stalled because Ulster Unionist leader David Trimble, the province's designated first minister, refuses to sit in an executive cabinet with Sinn Fein until its military wing, the Irish Republican Army, disarms.

Mr. Blair has publicly supported Mr. Trimble's call for the IRA to start an arms handover, stepping up pressure on Sinn Fein.

On Thursday his spokesman made clear that the government was determined that the handover of powers to a devolved administration in Belfast would go ahead.

"It's got to happen," the spokesman said. "We are absolutely confident it will happen."

He declined to say whether the government was considering the formation of an executive cabinet without Sinn Fein — a move that could trigger an end to the IRA's cease-fire.

Mr. Trimble held talks in Dublin on Thursday with Prime Minister Bertie Ahern of Ireland, who has also called on the IRA to begin decommissioning its weapons before entering government.

The Good Friday agreement, signed last April 10, established a complex political blueprint for the province including a promise of a share in political power for Sinn Fein and a two-year deadline for decommissioning.

The comments by Mr. Blair's spokesman coincided with efforts in Belfast by his secretary for Northern Ireland, Mo Mowlam, to bridge the gap between the pro-British Protestant party led by Mr. Trimble and Catholic nationalists.

She has already indicated that the target date for setting up the assembly may slip from next week until the end of March.

For its part, the IRA has vowed not to turn in the arsenal it used to fight a 30-year opposition to British rule — at least until it sees political progress.

Sinn Fein says it is doing all it can to bring about disarmament but says Mr. Trimble is injecting a new condition, as last year's Good Friday accord only set a finishing date for the process, of May 2000.

The IRA's pro-British loyalist foes, seeing themselves as defenders of Protestants against Irish Republican violence, have equally insisted they will not disarm until the IRA starts.

## ASIA/PACIFIC

## Albright Presses Asians On Khmer Rouge Trial

By Keith B. Richburg  
Washington Post Service

JAKARTA — Secretary of State Madeleine Albright said the United States wanted to see the top Khmer Rouge leaders in Cambodia brought before an international genocide tribunal, and she dismissed the warning of Prime Minister Hun Sen that such a trial could trigger a renewed civil war in the country.

"We want these top leaders to be brought to justice, and we support an international tribunal," Mrs. Albright said at a press conference in Bangkok with the Thai foreign minister, Surin Pitsuwan. "We disagree with the point that Hun Sen and others in his leadership have made that bringing these people to justice would be destabilizing."

"To the contrary," Mrs. Albright said, "we think it is the only way to reconciliation."

In a letter sent Thursday to the UN secretary-general, Kofi Annan, Mr. Hun Sen said that while his government "never rejected the accountability of the Khmer Rouge leaders for the crimes of genocide," he was urging caution because a tribunal could risk the country's fragile national reconciliation.

Mr. Hun Sen has pursued a policy of luring Khmer Rouge guerrillas in from the jungle with a grant of amnesty and by allowing them a kind of semi-autonomy in their traditional stronghold around the gem mining town of Pailin, on the Thai-Cambodian border.

"If improperly and heedlessly conducted," Mr. Hun Sen wrote, "the trials of Khmer Rouge would panic other former Khmer Rouge officers and their rank-and-file, who have already surrendered, into turning back to the jungle and renewing the guerrilla war in Cambodia."

The prime minister said Cambodia was studying the idea of establishing a South African-style "truth commission," one that could grant amnesty to former Khmer Rouge cadres in exchange for confessions of past crimes.

Mrs. Albright, however, said the "truth commission" formula for the top leaders "is not a substitute for an international tribunal," she said. Her position supports the findings of a panel of UN experts who also recommended a full genocide trial for Khmer Rouge leaders.

On a later stop here in Indonesia, Mrs. Albright expressed concern about the escalating violence in the independence-minded province of East Timor, in the wake of the government's surprise offer to grant freedom to the territory if its

latest autonomy proposal was rejected.

Mrs. Albright spent the bulk of her meeting here with Foreign Minister Ali Alatas discussing the continuing negotiations over East Timor's fate. She expressed concern about reports that militia units in East Timor, opposed to independence and favoring the territory's integration into Indonesia, were engaging in a campaign of violence and intimidation with weapons supplied by the Indonesian military.

"We are concerned about the reports we have heard and also about the violence," she said.

Mr. Alatas said the reports that the military had armed the pro-integrationist militias were "totally unfounded." He said the government had reactivated a long-existing "people's auxiliary guard" unit armed with wooden sticks to help maintain security in the troubled province. But he added, "We do concede that, unfortunately — and we are deeply concerned to note it — there have been instances lately of clashes."

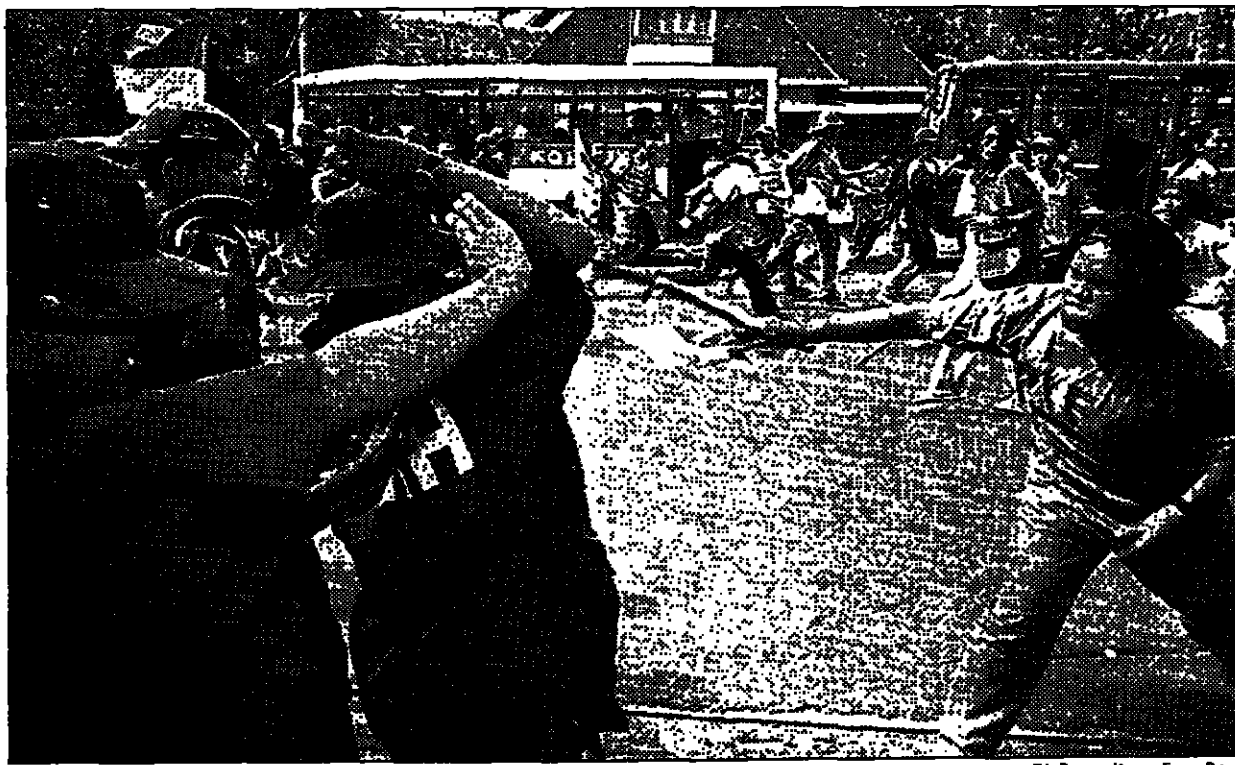
He said the East Timor violence marked "some degree of consolidation of forces on both sides" of the independence question, adding that "we are doing all we can to overcome the situation." He said that the weapons being used there "are definitely not firearms supplied by our armed forces."

Mr. Alatas warned of the risk of more violence if the world community insisted on a referendum in East Timor as the only way to gauge whether people there want the kind of broad autonomy now being offered, or outright independence.

In UN-brokered talks with Portugal, East Timor's former colonial power, Indonesian officials have rejected the idea of a referendum in favor of some unspecified "consultation" process with the people of East Timor to measure their sentiment. Portugal, and Timorese independence leaders, are insisting on a referendum as the fairest, most democratic way to settle the question.

In warning against a referendum, Mr. Alatas raised the specter of a new UN peacekeeping force that would be needed to police the territory in advance of such a vote. A referendum, he said, would require Indonesia to dismantle its existing government in the territory and withdraw its troops, and a peacekeeping force would have to be sent in. "Who will foot the bill?" he asked. "Who will send the troops?"

Mrs. Albright said the United States remained "open to suggestions" other than a full-fledged referendum. But she said any alternative process had to be "credible means to discern the will of the Timorese people."



A student protester hitting a soldier with a flagpole on Thursday in a street battle in the Indonesian capital.

## BRIEFLY

### Anwar's Lawyer Urges Charges Be Brought Against Police Chief

KUALA LUMPUR — A lawyer for Anwar Ibrahim, the former deputy prime minister being tried on 10 counts of corruption and sodomy, urged the authorities Thursday to charge a former police chief with attempted murder for assaulting Mr. Anwar after his arrest last year.

The lawyer, Karpal Singh, addressed a royal commission on its last day of hearings on injuries that Mr. Anwar suffered after being arrested in September. A former inspector-general of the police, Abdul Rahim Noor, has admitted hitting Mr. Anwar on the night of his arrest but says Mr. Anwar provoked him by calling him "father of dogs."

Mr. Anwar, who denies the charges against him, was fired and arrested in September. His trial is at the heart of political turbulence in Malaysia.

Mr. Rahim's lawyer told the commission there were no grounds for charging the former police chief with attempted murder, which carries a maximum penalty of 20 years in jail.

Doctors have told the commission that Mr. Anwar was lucky to have survived the beating, saying he had received blows to "lethal areas" of the neck and forehead. (Reuters)

### Afghan Factions to Hold Talks

ISLAMABAD, Pakistan — Afghanistan's warring factions will hold face-to-face talks to try to find a peaceful end to their protracted conflict, the United Nations special envoy Lakhdar Brahimi said Thursday.

With roughly 90 percent of Afghanistan under its control, the Taliban religious militia will meet their northern-based opponents on March 10 on neutral territory in the Turkmen capital, Ashkhabad.

Mr. Brahimi warned, however, that a failure at the negotiation table would mean another season of blood-letting on the battlefield. (AP)

### Taipei Mayor Visits Hong Kong

HONG KONG — Once denied entry into Hong Kong, Mayor Ma Ying-jeou of Taipei, the Taiwanese capital, was allowed to come into the Chinese-controlled territory Thursday, but not in his official capacity.

Mr. Ma planned to meet Friday with Hong Kong opposition political figures, while learning about Hong Kong's efforts to clean up the environment and lessen the threat of landslides in the mountainous territory.

Mr. Ma applied to visit Hong Kong as a private citizen in 1997 to observe the territory's transfer from British to Chinese rule but was turned down. China does not recognize the authority of any Taiwanese leaders. (AP)

### Chinese Dam Dislocates Millions

China will move 2 million more people in a new wave of relocations to clear the way for the giant Three Gorges Dam, state media said Thursday.

The dam, the biggest hydroelectric project in the world, is intended to control flooding along the Yangtze River and supply power for development.

Due for completion in 2009, the dam will create a 500-kilometer-long (350-mile-long) lake, inundating thousands of homes. (AP)

## Troops Rout Anti-Habibie Demonstrators In Jakarta

Compiled by Our Staff From Dispatches

JAKARTA — Indonesian troops punched and beat rock-throwing students who took to the streets of the capital Thursday, calling on President B. J. Habibie to resign.

The protest by several hundred people was the first violent anti-government demonstration in Jakarta in more than a month. Witnesses said a news photographer and two students were injured. Some were bleeding after being hit by rocks. Police said about one dozen protesters were arrested.

The students had marched from a university campus to a monument commemorating the founding of Indonesia in 1945.

Troops blocked them from marching further after police said they did not have a protest permit. The two sides clashed several times before dispersing.

Protest organizers called for Mr. Habibie to be replaced by a transitional administration.

Mr. Habibie, who has promised greater democracy for the world's fourth-most populous nation, has scheduled a parliamentary election for June 7. A new president is to be selected by a special assembly later in the year.

Student protests played a pivotal role in the ouster last May of President Suharto after 32 autocratic years in power. Last year, thousands of students regularly staged sometimes violent street protests against Mr. Habibie's government despite its program for political reform.

Also on Thursday, about 700 supporters of Mr. Suharto rallied peacefully outside the office of Indonesia's attorney general and demanded an end to an official corruption investigation of the former leader. (Reuters, AFP, AP)

### 48 Parties to Contest Election

Indonesia's first open parliamentary election in decades will involve 48 political parties, raising the possibility of a fragmented Parliament with no clear majority, some analysts and officials said, Reuters reported from Jakarta.

But an independent political analyst, Mochtar Buchori, said the huge number of parties would split the votes and increase the chances of former President Suharto's Golkar party returning to power.

The huge number of political parties effectively ends the three-party system set up by Mr. Suharto.



## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Iran Votes for Change

## America Should Help

The power of democracy is altering Iran. Reported results from municipal elections show that Iranians overwhelmingly supported moderate politicians associated with President Mohammed Khatami. The voting mirrored the presidential election that swept Mr. Khatami to power two years ago. Although conservative clerics remain the paramount rulers of Iran, Iranians clearly are impatient to lift religious repression and transform their country.

Iran's constitution, adopted after Ayatollah Khomeini's 1979 Islamic revolution, provides for local elections, but none were held. Mr. Khatami called last Friday's vote hoping to create a more decentralized civil society that could support his agenda of political and social change. His gamble apparently paid off. The winners included liberal clerics like Abdollah Nouri, a Khatami ally who was forced out of the national cabinet last year by clerical conservatives and who has now been elected to the Tehran city council.

The high turnout that carried many moderate candidates to victory may now embolden Mr. Khatami to take further conciliatory steps toward America. Washington would benefit greatly from a more moderate and internationally responsible Iran, and should do what it can to encourage change. While continuing to support exchanges by sports teams and cultural

groups, the Clinton administration should begin to ease trade restrictions against Iran in ways that would have the most impact on ordinary Iranians.

The White House rightly insists that normal relations cannot be completely restored until Iran stops trying to build nuclear and other unconventional weapons, severs links with terrorism and accepts peacemaking efforts between Israeli and Arab leaders. Iran has distanced itself from terror and now concedes the Palestinians' right to make peace with Israel. If further steps can be taken, the Mideast will be a safer place and Iran may resume its traditional role as a counterweight to Iraq.

Specifically, the White House should approve a request by an American trading company to sell 3 million tons of grain and 400,000 tons of sugar requested by the Iranian government. President Bill Clinton ought to ease restrictions on imports of Iranian carpets, leaving in place only measures to discourage the exploitation of child labor. Neither step requires congressional action. American food sales would make it easier for the Khatami government to subsidize the diet of families hurt by collapsed world oil prices. Permitting carpet imports would allow the creation of many new Iranian jobs.

Iran's people have once again voted for change. America should welcome their democratic choice and extend new opportunities for friendship.

—THE NEW YORK TIMES.

## Harsh Rule Remains

In a view that has gained broad support in the West, the vote in Iran speaks popular confidence in a by-now proven moderate who has put a popular foundation under his brave challenge of the hard-line fundamentalists in Tehran. To some, this is the time to end diplomatic hesitation and, by lifting the U.S. embargo, back Iran's reformers in their effort to join the West.

But is it so simple as that? There is no denying the bravery of the "reformers," especially of the street demonstrators, including many women, an abused class in Iran. President Mohammed Khatami has his own place among the reformers. However, only the lower ramparts of government appear to be open to democratic procedure. Parliament, the intelligence and judicial systems, the foreign policy apparatus and the security and defense establishments apparently stay under the traditional clerical control of the man called supreme leader, Ayatollah Sayed Ali Khamenei.

Just weeks ago an ugly sequence of killings, stabbings and mysterious deaths unfolded among well-known dissidents and writers. A tug of war then took place between elements in the Islamic hierarchy trying to cover up these crimes and elements trying to

bring the offenders to justice. What was at stake was something essential to a modern society, the application of the rule of law. On that issue, President Khatami was plainly on the right side.

The rule of law would no doubt be greeted with deep satisfaction by many Iranian citizens. Some, however, might be even more pleased to be living under a system whose law they had a hand in approving. As for Mr. Khatami, it seems he favors not simply the rule of law but the Islamic law. Whether that is the Iranian people's emerging preference remains to be tested.

Nor are the foreign, defense and security policies of Iran under democratic governance: not its support of terrorism in the terrorism-soaked Middle East, nor its hostility to the flawed but still peace negotiations between Israelis and Palestinians, nor its pursuit of weapons of mass destruction.

Europe is impatient to get back to business as usual with Iran. Many Europeans dismiss American reluctance to jump into the fast lane of normalization as an emotional overreaction to Iran's kidnapping of American diplomats in 1979. Perhaps there is a bit of a kidnapping factor in the American attitude. But there is also concern for the harsh Iranian policies that remain in place two decades later.

—THE WASHINGTON POST.

## Truth About Guatemala

For whole groups of countries, what post-Cold War politics is mostly about is moving beyond earlier horrors, some arising from rule by the left, others from rule by the right. In this demanding passage, no country has set a braver example than Guatemala. The latest landmark in its long trek back from human and social disaster is a huge report on human rights violations committed by the contestants in its 34-year fratricidal war.

The report was commissioned as part of a post-Cold War package of measures aimed at national reconciliation, in this instance at "reconciliation through truth." In a reflection of the military's much reduced but still lingering influence, the report does not name the guilty, set up trials or otherwise point toward justice. But it tells truths whose acknowledgment can help Guatemala return from the dark.

Historical and cultural considerations made Guatemala a bonfire waiting to be kindled. Political considerations supplied the torch. Fidel Castro had come to power in Cuba, stirring in other Latin places both revolutionary hopes and counterrevolutionary fears. In Guatemala, war—civil, class, ideological, racial—exploded.

When it was over, survivors the independent Historical Clarification Commission, the cost of civilian death was 42,275, and of "disappeared" 6,159; the estimated total of dead was 200,000. The scale and savagery of Guatemala's losses, especially among the indigenous Mayan population,

made the toll in Central America's other wars pale. Nor is it all over. Just last year a Roman Catholic bishop who had directed a human rights study was beaten to death with a concrete block.

The report confirms that military governments and the armed forces were responsible for the great majority of Guatemala's violence. Cuba, says the report, provided the guerrillas political, logistical and training support, although never enough to give them a military advantage.

Meanwhile, the American role was going well beyond the report's note of involvement in "some illegal state operations." Washington arranged a coup in 1954 to depose an elected leader whose reform program, which struck a good number of Latin democrats as giving Guatemala a chance, struck the CIA as incipiently Communist. Washington supported the rule of the anti-Communist officers and oligarchs whose human rights practices form the substance of the new report. The inferno actually accelerated in some of the years when a horrified U.S. Congress forced a suspension of military aid, thereby removing what minimal restraint even a feeble American presence supplied.

Whether the success of reform in the 1950s could have preempted the immediate tragedies that unfolded later must be left to the historians. The CIA still bars the public from the full documentation. We Americans need our own truth commission.

—THE WASHINGTON POST

## Good Riddance to Archaic Frontiers in Europe

By Flora Lewis

PARIS — When the first direct elections to the European Parliament were held a generation ago, Jacques Chirac was hostile. He derided the list of candidates backed by then President Valéry Giscard d'Estaing as "the foreigners' list."

Now, calling on the French Parliament to ratify the Treaty of Amsterdam, which strengthens the European Union, President Chirac declares: "Europe is the fruit of a necessity, an ideal, and an act of will. ... To be ambitious for Europe is also to be ambitious for France."

Elections for the European Parliament are scheduled this year for June 13, and while, as Mr. Chirac says, "the people don't feel sufficiently concerned with building the Union," France will send a dedicated delegation to Strasbourg.

There are plenty of critics and, at the margins of left and right, some who complain that the nation is being overtaken. But the great majority in France takes European integration for granted. There are issues about how Europe runs, how it behaves, as there are about any political or social entity, but not about whether it is and should be a fact

of life. B.E. (Before Europe) is almost forgotten, poignantly recalled on some touching occasions that provoke special comment, as in Bertrand Poirot-Delpech's column this week.

Mr. Poirot-Delpech writes a subtle, literary type of column for *Le Monde*, and if it has a political aspect, it is more an expression of personal feeling and judgment and can be considered reflective of his compatriots.

He was apparently traveling recently by train across the French-Italian border. He noticed that the customs huts were still there, but nobody made the train stop, nobody stamped passports, nobody checked bags.

"Until 1940," he wrote under the title "Frontiers," we imagined that the southern Alps justified dying to keep the flag at one pass or another. Absurd confrontation of sentinels made to be friends. Absurd as it still is not far away, between Serbs and Kosovars.

For us, this sinister comedy of centuries-old hatreds is finally finished. The customs officers have packed up and gone ...

"It is considered archaic, old-fashioned to credit united Europe with this relief. But good for her, if it is to her that we owe the end of rebashed rivalries, fratricidal hecatombs, and if she has replaced the long lines of crosses [in military cemeteries] which crossed the cult of inviolable frontiers with its fanfare, lines of buses, polyglot cable cars, merry picnics."

"What a joy to see the physical disappearance of a frontier."

But guards do get on the train, and ask for documents. He recalled the way "Germans demanded 'papers,' rapping their Mausers against the compartment windows during the occupation ... At the next station, reinforcements are there. Everything is ready to end the hopes of clandestine travelers from Egypt, Albania or Africa seeking a better life."

"Oh, what a polite arrest. Nothing to disturb the passengers who are legally in order. Nonetheless, such voyagers left behind at the train station while innocents travel on in an uneasy, somewhat cowardly silence, we haven't seen that since — guess since when!"

The writer's compassion for the detained illegal immigrants, reminding

him of what it was like to have to be terrified of authority, is addressed to an utterly current controversy. Citizens of EU countries can move freely, but immigration from outside is the subject of fierce political dispute.

But Mr. Poirot-Delpech's musings also show how very much has changed, in everyday life, everyday attitudes, everyday assumptions and expectations, since Europe was only a geographical word. He is right that it seems more up-to-date to complain about the latest Brussels regulation, the latest hypocritical claim, the latest pompous speech than to make a point of the difference that the existence of Europe as a community has brought.

Mr. Chirac, in his message to the National Assembly, said that "far from being incompatible with the idea of nation, Europe is the political and spiritual space where this idea can breathe and enrich itself with the greatest strength." The erstwhile Gaullist has become a staunch European, and the jibes of detractors don't bother him.

It is also useful though, once in a while, to hear the reasons put in simple human terms.

Flora Lewis.

## Political Trouble in Indonesia Worries the Neighbors

By Goh Chok Tong

The writer is prime minister of Singapore.

SYDNEY — East Asia's economic crisis has mutated into political challenges. After years of sustained growth, the sudden and sharp drop in jobs and standards of living was politically and socially traumatic.

The challenges are most evident in Indonesia. The crisis catalyzed political change in the world's fourth most populous nation, making it more difficult to deal with the economic problems. Politics and economics are now inextricably intertwined.

When the crisis first erupted, former President Suharto thought he could ride it out, as he had ridden out so many others before. But this was a different type of challenge. It was a battle against an invisible opponent, the market, which could not be defeated by military orders and

strategies. The panic in the market overwhelmed his government and resulted in his exit.

The political change came in circumstances that nobody predicted. The consequences were complex, far-reaching and unsettling. Ethnic and religious fault lines have opened up.

The government now appears prepared to consider independence for East Timor. The genie of change is out of the bottle. But can a political system built over 30 years be replaced overnight? If the Soviet Union offers a lesson, it is that the process of change itself can be very destructive.

New social and political

forces have been released in Indonesia, making for a complicated and uncertain political equation. Fundamental issues about the role of the military, the place of minorities and religion in the polity, and the relationship of Jakarta with the outlying provinces have emerged. The government has to cope with these volcanic pressures. It is not easy.

Half the Indonesian population is living at or below the poverty line. Almost 40 million Indonesians are unemployed, and the number is growing. Law and order is breaking down. Crimes have increased. Ethnic and religious differences, which

had previously been kept in check, have resurfaced with tragic consequences. Indonesian society has become brittle.

It will take time for the new dynamics to settle down. The immediate prognosis is for greater uncertainty. The general election in June, and the election of a new president in November, will be crucial milestones.

The elections will not in themselves resolve all the fundamental political questions that are now being debated. After elections, the new Indonesian leader will still have to reckon with a complex and fluid political situation.

But an essential condition for stability is the population's perception of how the elections are conducted. A result that is accepted as legitimate and fair by

the majority will lower the level of tensions, paving the way for political stability and restoring investor confidence.

An outcome that is considered otherwise will result in political upheaval. Even with fair and clean elections, a result that does not meet the people's aspirations will prolong political instability.

What happens in Indonesia has a defining influence. In the 1960s, Indonesia unsettled the region. In the 1980s and '90s, we all benefited from a stable and prosperous Indonesia. For better or worse, Indonesia's stability affects regional stability.

This comment was adapted by the International Herald Tribune from a speech on Tuesday to the Asia Society in Sydney.

## Beware of Fixed Exchange Rates and Currency Pegs

By David Roche

LONDON — Fixed exchange rates and currency pegs can play a role in specific circumstances and at certain moments in history. They are useful when tackling hyperinflation (Latin America), or when a country's financial system is close to meltdown and policymakers lack all credibility (Bulgaria).

But fixed exchange rates have also been the cause of the illnesses for which they are cited as a cure. Take the Asian economies in crisis.

Their woes were inflicted by exchange rate regimes that pegged their currencies to the dollar for too long, well after such arrangements were needed to establish the credibility of the Asian economies.

When the Asian economic miracle was all the rage and capital flooded into Asia, the exchange rates could not budge. So it was domestic liquidity that bore the full brunt of capital inflow, inflating like a balloon.

And because foreign creditors and Asian debtors thought that the exchange rate was fixed and immutable, they factored no exchange rate risk into their lending and borrowing. As more money flooded in than could be used productively in economies devoid of well regulated financial markets or banking systems capable of pricing risk, the cost of capital fell to absurdly low levels, particularly in dollars. So did the marginal productivity of investment.

Massive unproductive investment caused by the underpricing of capital risk was the prime cause of the Asian crisis. It would not have happened if exchange rates had been free to fluctuate.

Hong Kong's currency peg may have lent its monetary authority credibility in the dark days after Tiananmen, but it has also bequeathed one of the most distorted and uncompetitive economies in Asia. The peg

gave Hong Kong U.S.-level nominal interest rates for 15 years. But Hong Kong's inflation was higher, so Hong Kong benefited from the curse of negative real interest rates.

In effect, the banks paid the real estate tycoons to borrow money. While the government allowed the population to grow by nearly 3 percent a year, land for housing was kept in scarce supply. If a scarce resource (capital) is priced as a free good, it will be wasted.

Hong Kong now faces a dreadful dilemma on all fronts. The real estate bubble has made it one of the most expensive and uncompetitive places in the world to do business. Despite a landslide fall, the real estate sector is still a swollen tumor in the heart of the economy. It needs to shrink further and a new, productive economy must emerge from the chrysalis of the old.

What is stopping it? The government wants to maintain the

currency peg at all costs. But to do so and make Hong Kong competitive means wholesale deflation. If the currency cannot deflate, then prices, wages and the cost of real estate must. Yet the government tries to prop up the peg and the tycoons at the same time.

So much for the idea that currency pegs and fixed exchange rates are some sort of panacea for the world.

When it comes to big populous countries and economic blocs, the market must be allowed to price all economic factors, including a country's currency. The market must also be allowed to punish policy errors and political uncertainty.

The only way to ensure exchange rate stability is to pursue the right policies. It is impossible in today's world to match the "right" exchange rate to the "wrong" policies, as Brazil has discovered.

If you try to fix the price of one thing, for example the currency, then it only leads to distortion in the price of everything else. Take the current talk of target zones for yen, dollar and euro. It may well come to nothing, but it represents a major political attack on free market mechanisms by advocates of "mind over market" economic philosophies.

The target zone idea hides an ugly economic and political consequence.

Let us assume that the world divides into three currency blocs and that fluctuations between the yen, the euro and the dollar are limited by political decree. The only economically efficient way for this to work is if the currencies' fixed exchange rates act like a Trojan horse, forcing policymakers to

apply the correct economic policies to maintain them.

That is defensible in theory. But as a result of cultural diversity, it won't work globally. After all, the cultural diversity embraced by the euro zone is minute compared with that of a tri-currency world.

So such a scheme would work only by political fiat, doing away with freedom of capital movements. But freedom of movement is a fundamental tenet of capitalism. It is key to the productive allocation of capital on a worldwide scale. And it is a tenet that particularly benefits emerging markets.

Suppose that Japan and Europe pursued silly economic policies. Over time, the yen and the euro would become uncompetitive under a fixed exchange rate regime.

The current account of both blocs would be painted red, and capital would exit to the dollar region in search of higher returns. The natural tendency of both the yen and the euro would be to weaken against the dollar.

To maintain both currencies within their target zones, policymakers would have to raise domestic interest rates to astronomical levels.

Their mind-set in wanting fixed exchange rates is rather like trying to stop an automobile from shuddering on a bumpy road by removing the shock absorbers (for which read: financial markets) rather than repairing the road (for which read: bad economic policies that are politically expedient).

The writer is president of Independent Strategy, a global investment consultancy. He contributed this comment to the International Herald Tribune.

## So Much for Independent Counsels

By David S. Broder

WASHINGTON — At a pre-inaugural party in January 1997, I asked a young man about his job. "A lawyer," he said. "I'm working on the Espy investigation."

The Espy investigation? It had been so long since Agriculture Secretary Mike Espy had resigned in December 1994 under fire for accepting gifts from firms he regulated that I had forgotten that an independent counsel had been named to prosecute him.

The young lawyer assured me that the Espy task force had been busy. While we waited at the bar, he called off the names of any number of people who had been indicted or convicted as a result of their probe. None, I noticed, was named Espy.

Twenty months later, the independent counsel Donald Smaltz finally brought Mr. Espy to trial. The jury listened to seven weeks of testimony from 70 witnesses and took only nine hours to acquit Mr. Espy of all 30 charges that Mr. Smaltz had spent \$17 million investigating. Mr. Smaltz responded: "The actual indictment of a public official may in fact be as great a deterrent as a conviction of that official."

At the first hearing last week on renewing the independent counsel statute, Senator Dick Durbin of Illinois, who had voted for the last renewal as a member of the House, cited Mr. Smaltz's "outrageous" comment as one reason why he had

changed his mind and now wanted to let the law die when it expires at the end of June.

He is not alone. This turkey is headed for extinction. The statute was written in 1978, part of overall ethics legislation spawned by the Watergate scandal, during which President Richard Nixon used the Justice Department to cover up his law-breaking and to harass those investigating his crimes.

The cure has proved worse than the ailment. The American Bar Association, which was instrumental in passage of the independent counsel statute, now opposes it.

The chairman of the Senate Committee on Governmental Affairs, Tennessee Republican Fred Thompson, joined Democrats in denouncing the experiment. Conceding that some of the 20 independent counsels have functioned well, mainly by quietly operating lower-level officials, he said that the intense media coverage of high-profile cases pressures the lawyers to "turn over every possible leaf," ignoring the limits on time and money that most prosecutors must consider, and often breaking the canons of fair play.

In return, partisans of the investigated official inevitably try to protect him by attacking the independent counsel. "So you have a free-for-all

and public confidence suffers," Mr. Thompson said.

Still, some Democrats want to rewrite the statute. Put in new safeguards and it can be made to work, they argued. And they challenged: If it disappears, what would you do about charges of lawbreaking by the executive branch?

The answer, said Griffin Bell, the Carter administration attorney general, is to go back to what America did for two centuries before the independent counsel statute appeared: Hold the Justice Department accountable. When the attorney general has a conflict of interest, he can recuse himself and name some other attorney, from inside the government or outside, to handle the case. Mr. Bell did exactly that when an investigation was required into the finances of President Jimmy Carter's peanut warehouse — and a Republican prosecutor cleared Mr. Carter of any wrongdoing.

The president has the constitutional duty to see that the laws are "faithfully executed." The attorney general is his appointee. If the laws are not enforced, if crimes are covered up, the ultimate remedy is to vote them out of office and repudiate the party they represent.

The office of independent counsel is in effect a fourth branch of government, operating without any checks or balances. Don't try to fix it. Let it die an unmarked death.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1899: Royal Modesty

PARIS — The "Figaro" tells a story of King Oscar of Sweden. He asked a girls' school if he might examine the pupils on history. "Can you mention any famous King of Sweden?" was his question. "Gustavus Adolphus" and "Charles XII" came in succession, and then, from a small child, hesitatingly, "Oscar III." The King, amused, asked if she could name any great deed by Oscar II. The poor child, almost crying, stammered out: "I don't know any."

"Never mind, my dear child," said the King; "neither do I."

## 1924: Women at Yale

NEW HAVEN — The possibility of Yale becoming a co-educational college has created a heated controversy. Yale regards itself as one of the last ramparts of masculine isolation, but it has already 280 women graduate

students. The male undergraduates complain about the female graduates, who "snicker out loud all over the library, make eyes at the freshmen, giggle and disturb the studious atmosphere. They come to classes drenched with perfume, invade Sunday chapel, and even appear in commons," one complains.

## 1949: Soviet Cinema

MOSCOW — Ivan Bolshakov, Minister of Cinematography, accused film critics of "diversionism" in the Soviet film industry. He said the leader was L. Trauberg, the president of the "Cinema House" university. Trauberg was quoted as having said that "Soviet film developed under the influence of American, French and German directors, operators and actors." Mr. Bolshakov said that among other subversive acts was a book in which D. W. Griffith was called "the father of the film art."

**Herald INTERNATIONAL Tribune**  
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Directeur de la Publication: Peter C. Goldmark Jr.  
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel.: (1) 41.43.92.00. Fax: Subscriptions: (1) 41.43.92.10. Advertising: (1) 41.43.92.12. News: (1) 41.43.92.30.  
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U.K. Advertising Office: 40 Mark Lane, London EC3A 7PT Tel: (171) 510-5700 Fax: (171) 507-3431  
S.A.S. un capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No 61337  
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OPINION/LETTERS

# A Proposal for Bringing Peace to Sierra Leone

By John L. Hirsch

WASHINGTON — Following 30 years of ruinous mismanagement and nine years of civil and cross-border conflict, Sierra Leone is in profound crisis.

The virtual collapse of the Sierra Leonean government and the military impasse between the Nigerian-led West African peacekeeping force, on one side, and Revolutionary United Front rebels and remnants of the former army, on the other, present the international community with a stark situation. After years of international indifference, the Western media have given prominent coverage to the atrocities, destruction and violence inflicted on the civilian population.

There has recently been a renewed call for the return of Executive Outcomes, the private security force that had maintained a measure of security through early 1997, to join with the peacekeeping force in defeating the rebels.

This is itself, however, insufficient. Sierra Leone needs a coherent and comprehensive strategy, rather than the reactive, piecemeal approach that has characterized the international response to the crisis to date.

President Ahmad Tejan Kabbah's government and the peacekeeping force must continue to be supported by the international community while a long-term effort at ensuring security and peace is undertaken.

Broadly speaking, there are four conceivable scenarios.

First, a peacekeeping force victory over the rebels; second, a rebel victory over the peacekeeping force; third, a protracted stalemate, with peacekeepers in control of Freetown and its environs and the rebels in control of the north and east of the country; and fourth, an internationally negotiated and enforced political settlement.

Of these scenarios, the first seems unlikely. While the peacekeeping force continues to constrain rebel operations, the American experience in Vietnam suggests that wars

against determined guerrilla forces are rarely conclusive. Moreover, the Nigerians have announced their intention to leave or draw down their forces significantly when a civilian government comes into office in May. The rebels retain the capacity to keep fighting, apparently with external support.

The second and third scenarios portend a dismal future for Sierra Leone. If the peacekeepers withdraw and the rebels take over, Sierra Leone will descend into a reign of terror and violence. The third

## The key lies with Nigeria and its peacekeeping partners.

scenario would be tantamount to de facto partition. It would leave a significant part of the country in a no-man's land under rebel control. These two scenarios presage further social and economic disintegration, and more refugees and displaced persons — now more than 1.5 million, according to United Nations humanitarian sources.

The best scenario for Sierra Leone is an internationally negotiated political settlement, agreed on by both Mr. Kabbah's government and the rebels. An international settlement is essential because the regional states have a stake in the conflict that renders them less than impartial. The UN secretary-general, Kofi Annan, as convener, would give legitimacy and credibility to the proceedings.

The foundation for an international settlement of the Sierra Leone conflict is embodied in the Nov. 30, 1996, Abidjan accords between the Kabbah government and the rebels. Though never implemented, the accords remain valid and viable. Mr. Kabbah repeatedly has indicated his readiness to implement the accords, provided the rebels

cease hostilities and recognize the legitimacy of his elected government.

The Abidjan accords include provisions for the demobilization and disarmament of the rebel and government armies and the opportunity for the rebels to transform themselves into a political party eligible for the next general election.

While many in Sierra Leone will find it repugnant to envisage the rebel group — whose members have committed human rights abuses against the population — as a political player, the fact remains that the rebels signed the Abidjan accords. The UN secretary-general should convene an international conference on Sierra Leone that would include the Kabbah government and the rebels, key African participants, the Commonwealth (components of the former British empire) and the permanent members of the UN Security Council.

The major objectives of the conference would be to (1) secure a cease-fire and end hostilities, (2) facilitate implementation of the Abidjan accords or their revision as the basis for the peace settlement, (3) strengthen and enlarge the UN civilian mission in Sierra Leone to assist the government in providing essential services, (4) ensure financial support for the continued presence of the peacekeeping force and (5) reach an agreement on the timing and modalities of the next election, in which the rebels would be allowed to participate as a political party.

The key to this effort lies with Nigeria and its peacekeeping partners. They need assurance of financial resources to remain engaged. A timetable would have to be established for the peacekeepers' continued stay in Sierra Leone. This would make it somewhat easier for the new civilian government in Nigeria to continue to commit troops.

The rebels and their external supporters have to be

convinced that they cannot conquer Sierra Leone nor gain international legitimacy by force of arms. Conversely, participation in the peace process will provide them with access to international funding for reconstruction and recovery (essentially what is in the Abidjan accords).

Pressure must be exerted on Charles Taylor, the president of Liberia, to cease military support for the rebel allies. Within an international conference, he would be given the opportunity to play the role of regional peacemaker.

In sum, all participants need to be convinced of benefits not only for Sierra Leone but also for themselves. At the same time, an enforcement mechanism has to be put in place to ensure that the accords remain on track.

While this may seem a great deal to demand from the international community, it is primarily a revival of the Abidjan accords on an international rather than regional basis. The increased role for the UN mission will need organization and financing.

There is still time to save Sierra Leone. This proposal can work if implemented speedily. But if an effort along these lines is not adopted, one must fear the worst for the future of democracy in Africa and the well-being of the people of this beautiful but beleaguered country.

The writer, a former U.S. ambassador to Sierra Leone, is vice president of the International Peace Academy. He contributed this comment to The Washington Post.

# Lewinsky's Moment in the Klieglight

By Tom Shales

WASHINGTON — For months it has been the story that had everything — illicit sex, domestic espionage, emotional ordeals — and Wednesday night came the interview that had everything: Monica Lewinsky, former presidential pal, hunkering down with Barbara Walters on a two-hour edition of ABC's "20/20."

The bottom line is that those who watched the show probably came away more sympathetic to Ms. Lewinsky than they went in. But she also seemed at times inappropriately giggly, incorrigibly naive and awfully enamored of the limelight she claimed to detest.

Certainly the interview produced reams of snappy quotes. Is Ms. Lewinsky still in love with Bill Clinton? "No," she said. She still admires him at times and wishes him well but "sometimes I hate his guts and he makes me sick."

And what of Linda Tripp, the informant who tricked Ms. Lewinsky into confessing the affair? "I pity her. I would hate to be her."

Ms. Walters asked plenty of tough questions. "Toward the end of this relationship, you were a real pain in the butt," Ms. Walters told Ms. Lewinsky, with Ms. Lewinsky replying, "You bet. You bet." Ms. Walters grilled her on the seeming insanity of preserving the blue dress with the presidential stain, and on failing to take into account the feelings of Mr. Clinton's wife (Ms. Lewinsky looked baffled by the implication she should have felt some homewrecker's guilt, and on this off-discussed matter of whether oral sex constituted sexual relations).

Ms. Lewinsky said she considers oral sex "just messin' around" but also said she found sex with the president "gratifying." Ms. Walters asked, "Did you ever try to have intercourse?" and Ms. Lewinsky smiled. "Uh-huh," she said girlishly, then ad-

ded that she got "really upset" when Mr. Clinton said no.

Several times, both during the broadcast and the pre-show publicity, viewers were promised a "startling revelation." This turned out to be that during the 16 months Ms. Lewinsky was unable to see the president for intimate encounters, she had an affair with another man, became pregnant and had an abortion.

Well, perhaps that is a revelation, but after all we have heard in the past year, it was hard to be startled.

The interview was taped in ABC studios on a set made to look like a suite at the Bel Air Hotel, or some-

## MEANWHILE

other similarly classy joint. The camera came in for intense close-ups of Ms. Lewinsky and she held up well.

Would she cry? We knew she would. Ms. Walters and "20/20" saved it for near the show's end. Each commercial break was preceded by a "tease" featuring a clip from an upcoming segment. Just before one of the last breaks, the tease consisted of Ms. Lewinsky crying. When the commercial was over, Ms. Lewinsky got emotional (as if knowing it would disappoint Ms. Walters and the audience should her eyes remain dry) and sobbed about the damage the scandal had done to her life.

She could not describe the night that Mrs. Tripp and some of Kenneth Starr's goons lured her to a hotel room and interrogated her without a lawyer present for 12 hours. Ms. Lewinsky said, because of an agreement she had made with Mr. Starr. But craftily, Ms. Walters read passages from the forthcoming Andrew Morton book in which Ms. Lewinsky did describe the nightmarish inquisition.

Somehow, talking with Mr. Morton, a British author, does not violate the agreement with Mr. Starr but talking to an American journalist would. When Mr. Walters asked Ms. Lewinsky what she thought of Mr. Starr, Ms. Lewinsky declined to comment. It is unlikely that she was trying to suppress the comment. "Gee, what a wonderful guy."

Ms. Lewinsky spoke of having considered suicide, but she seemed to be someone whose ego remained intact and perhaps only lightly bruised, even as she claimed "I don't have the feelings of self-worth that a woman should have." And after being shown a tape of Mr. Clinton denying having had "sexual relations with that woman," she said she would have preferred it if Mr. Clinton had said, "She's a great woman. She's a bright woman."

Many familiar details were discussed, from the thong underwear to the naughtiness with the cigar. It was perhaps fun in some twisted way to be embarrassed all over again by hearing it from Ms. Lewinsky's own lips. She would get on the phone and blab to girlfriends things like "he's so cute" when discussing the president, she said, and the first time she saw him in person she said her "breath was taken away."

Comics, meanwhile, could be expected to pounce on the opportunities for double entendre, as when Ms. Lewinsky referred to "the push and pull of this relationship" and said of her relationship to Mr. Clinton, "You want so badly to hold onto this thing that you want." No one could have done a better interview than Ms. Walters did. She saved a great kicker for the close, asking Ms. Lewinsky what she would tell her children about what had happened. Ms. Lewinsky's reply: "Mommy made a big mistake." Then, Ms. Walters appeared on camera to say, "And that is the understatement of the year."

The Washington Post



Hitchhikers on the information highway.

## LETTERS TO THE EDITOR

### Rwanda Genocide Court Replies

Regarding "In Genocide Court, a Geography Bout" (Feb. 20):

The article gave the impression that the International Criminal Tribunal for Rwanda assigned to indigent accused persons, against their wishes, lawyers who do not speak the same language as they do.

In fact, all detainees at the tribunal are assigned same-language counsel, except when they ask for a lawyer who speaks another language, in which case, we assign an interpreter to help communication between the counsel and the defendant. In the case of Jean-Paul Akayesu, on two occasions he has requested lawyers who spoke only English.

Secondly, it is well-established in international law and in the law and practices of most countries, including Canada, the United States and France that an accused who cannot afford a lawyer has a right to insist that a counsel but has no right to insist that a particular counsel be assigned to him free of charge under legal aid, as Mr. Akayesu has.

Thirdly, the allegation that the "ban" (it is actually a temporary moratorium) on the assignment of Canadian and French lawyers was intended to force the hiring of African lawyers is baseless.

KINGSLEY MOGHALU  
Arusha, Tanzania

The writer is legal adviser and spokesperson for the International Criminal Tribunal for Rwanda.

### U.S. Hypocrisy on Cyprus

Regarding "Clinton Lists Foreign Policy 'Challenges for U.S.' (March 1):

It was comforting in a way to hear President Bill Clinton admit in his recent foreign policy that he had failed to make any progress on the question of Greek-Turkish relations.

The mistake of the United States lies in the fact that it ignores the occupation of northern Cyprus by Turkey. As long as northern Cyprus is occupied, there can be no solution to the rift among Greece, Turkey and Cyprus. I am sure it never occurred to President Franklin Roosevelt during World War II to mediate between Germany and France, while Germany was occupying northern France.

Why do Greece's friends, allies and associates try to solve the clash among the three countries, while condoning the illegal military occupation of northern Cyprus?

T. L. CHRYSANTHOPOULOS  
Aeghion, Greece.

The writer is a retired Greek ambassador.

### Iraq and the War Powers Act

Does the War Powers Act become applicable to the U.S. bombing raids in Iraq that began last year? How can it be that the merits of such actions are not yet subject to debate and oversight by Congress?

THOMAS MORE  
Paris.

### Americans and Intellectuals

Regarding "In America, Intellectuals Are Suspect" (Opinion, March 3) by Bruce J. Schulman:

I could not agree more with Mr. Schulman's excellent article. Thus, it is most irksome that he attributes the saying, "Without vision, the people perish" to Franklin Roosevelt. It is, in fact, derived from the Bible (Proverbs 29, verse 18), which says: "Where there is no prophecy, the people cast off restraint." Perhaps more thorough scholarship is needed in American academia to command the respect of the "ordinary citizen."

BILL BUCHMAN  
Lyngby, Denmark.

### New Strides in 'Idiocy'

Regarding "Professor Bars Men From Feminist Class" (Feb. 27):

As one who went to his first school in Switzerland instead of Germany, the land of my birth; as one who was considered a dirty German in my third-grade school in Paris and as one who saw generations of black children my age not go to school in South Africa, I consider myself well-schooled in the idiocies of inter-human relationships.

I must confess, however, that Mary Daly, the feminist philosopher at Boston College, has managed to be more creative in this field than I thought possible.

PETER HIRSCHMANN  
Haifa, Israel



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## In an Austrian Valley, a Healthy Respect for the Snow

By Eric Pfanner

**S**CHRUNS, Austria — Until deadly avalanches roared down mountainsides in the Tirol last month, many people's vision of snow in the Alps probably resembled the idyllic pictures on souvenir chocolate boxes.

But residents of the Alps have always been ambivalent about the snow, knowing that what brings beauty and tourists can also, occasionally, bring death in their ancient valleys.

In the nearby Montafon valley of westernmost Austria, the farmers have since pagan times gathered around bonfires on Sunday nights in February to burn the winter witch in effigy.

The sooner the snow melts away, the sooner they can herd their cattle up to the high-mountain pastures for another brief summer, before the snow and the threat of avalanches return for another season.

Like other Alpine regions, the Montafon has turned to tourism, drawing swarms of skiers to its slopes, some of the most extensive in Austria. But the stubborn villagers continue the colorful ritual burnings, called *Funkenbrennen*, and the persistence of such traditions sets the Montafon apart from many other resort areas of the Alps where ancient customs have been driven out in the rush to embrace the ways of well-heeled visitors.

Indeed, this balance makes the Montafon a good place to enjoy the Austrian notion that a ski vacation should also include healthy portions of tradition, relaxation and the local cheese.

Since the avalanches struck, many skiers have been canceling plans to visit Austria, leaving resorts strangely empty at what is normally the busiest time of year. I visited the Montafon this January, long before the huge February snowstorms that proved so deadly. As I arrived, sunlight flooded the cobblestoned main square of Schruns, the largest town in the valley, giving it an almost Mediterranean feel. Somberly dressed churchgoers, not skiers, ambled through the streets.

But as I rode the aerial tramway to the Hochjoch, a ski area that looms above Schruns — passing through evergreen forests, across the timberline and finally over a vast open slope crisscrossed by avalanche-control fences — the climate changed to winter and the views grew more and more spectacular.

To the south, a range of snow-packed 3,000-meter (10,000-foot) peaks, the Silvretta, reclined in the sun along the Swiss and Italian borders. To the west, the craggy peaks along the border with Liechtenstein reared up. To the north, the green pastures of the Montafon opened up to the Rhine valley, which stretched to the foggy horizon over Lake Constance.

On the slopes of the Hochjoch, the remnants of a two-day-old snowfall still allowed for easy cruising on the mostly long, gentle slopes, the kind of skiing that will not upset a stomach full of *Wiener schnitzel*.

The Hochjoch is only one of four main ski areas in the Montafon valley, with a total of 69 lifts covered on one ticket and 200 kilometers (125 miles) of runs.

In Vandans, across the valley from Schruns, is Gaim, the site of a World Cup women's downhill race course. Here the skiing is mostly on long intermediate runs, starting above the timberline but ending amid the evergreens.

In Gargellen, a hotel hamlet about 15 kilometers up a narrow side valley from Schruns, is the Schafberg area, with mostly gentle runs above the tree line. (The relatively high elevation of Gargellen — more than 1,400 meters, compared with 700 meters for Schruns — makes avalanches more of a concern here. Two people were killed in February when a snowslide buried a nearby restaurant.)

For the next day's skiing, I chose the largest and best of the four Montafon ski areas — Silvretta Nova, which sprawls across two broad ridges between the small towns of Gaschurn and St. Gallenkirch.

A gondola rises from each town. The top stations, at nearly 2,200 meters, are separated by a wide, skiable gully. In between there are more than 100 kilometers of marked runs, though I found it easy to get from one end of the area to the other in an hour or so, yo-yoing among the 28 lifts.

The skiing is primarily rated beginner or intermediate, though I found a handful of expert runs, too. Because the runs flank the ridges, different parts of the Silvretta Nova were in the sun throughout the day. A 14-kilometer run, one of the longest in Austria, leads back down to St. Gallenkirch across summer grazing pastures.

The Silvretta Nova seemed to be a good place for groups of skiers with mixed abilities. It appeared to be a popular family destination, too. The valley bustles with skiers, but



The small town of Gaschurn borders the Silvretta Nova ski area, which is the largest in the Montafon valley.

what drew one celebrated American visitor to the Montafon more than 70 years ago was its quiet, rustic side.

"There were no ski lifts from Schruns and no funiculars, but there were logging trails and cattle trails that led up different mountain valleys to the high mountain country," Hemingway wrote in "A Moveable Feast," describing the winters he spent there. "You climbed on foot carrying your skis and higher up, where the snow was too deep, you climbed on sealskins that you attached to the bottoms of the skis."

When Hemingway was in town — between ski excursions he rewrote "The

Sun Also Rises" in Schruns during the winter of 1925-26 — he stayed at the Hotel Taube, a solid-looking establishment where little seems to have changed except for the addition of a plaque commemorating his visit.

**THE OLD EUROPE** Much of Schruns is like that. The new Europe — hotels where the cable TV systems carry channels in six languages, where the bellboys speak three and the guests use English — has been slow to encroach.

Near the center, a factory still turns out old-fashioned coats made of loden. In every bar in town, the men gather over

beer for a hand of Jassen, a card game that uses a deck in which the four suits are hearts, shells, acorns and leaves — no clubs, diamonds or spades. And the church, with an onion dome on top of its steeple, seems to be more than just a convenient backdrop for postcards.

The regional dialect has also been well preserved. Though nominally German, it sounds little like the language heard in Frankfurt or Vienna.

The sounds of the Montafon owe much to the centuries-long regional dominance of Rhaeto-Romanic, a group of closely associated Romance dialects still spoken in pockets of the nearby Engadine valley

in Switzerland and in northern Italy. Germanic peoples were actually latecomers to the Montafon. The valley was settled in pre-Christian times by Celtic and East European tribes, later joined by Roman settlers. The blending of their languages into Rhaeto-Romanic is still reflected in the non-German-sounding place names, like Vandans and Gargellen, that dot the valley. Montafon itself is said to be derived from the words for "mountain" and "valley" in Rhaeto-Romanic.

While in more recent years fortunes have ebbed and flowed with the influx of industries like mining, hydroelectric power generation and, most recently, tourism, the economy has always been based on agriculture and Montafon cows, an indigenous breed.

**T**HAT can be seen in the cuisine. The pungent Montafon cheese, similar to Gruyère in texture, is available fried, melted or just plain. Most often, though, it is served as a topping for *Kaesspatzle*, freshly boiled dumplings that are also covered with fried onions.

Though the choice of restaurants seemed a bit limited in Schruns, at least outside the hotels, that was not the case at the ski areas themselves, where eating and drinking appeared to rank with skiing as the favorite on-slope activities.

There are basic cafeterias serving soups, salads and *Kaesspatzle*, and full-service restaurants offering trout, game and, yes, *Kaesspatzle*. One restaurant halfway up the Silvretta Nova specializes in Bavarian dishes, catering to the German visitors who flock to the Montafon on weekends. I never had trouble finding the local brew, *Fohrenburger*.

When I took a break for lunch on the outdoor terrace at the top of the Silvretta Nova, the bar was already filling up. In one corner a mustachioed DJ announced the next song from a gondola cabin that had been converted into his sound booth. Skiers with rainbow patterns on their jackets tapped their boots in time with the music. This was Austrian rock, and that meant that accordions laid the foundation. In time with the oompas, the singer began in heavy dialect. "*Das Skifahren is das leivante*" — loosely translated, "Skiing is totally awesome. He got no argument."

Eric Pfanner, an editor at The International Herald Tribune, wrote this for The New York Times.



## A Warm Paris Bistro Offers Soothing Fare

By Patricia Wells  
International Herald Tribune

**P**ARIS — Lovers of those old-fashioned Parisian family bistros should rush right over to Chez Catherine, a most classic 1930s bistro, where the welcome is warm, the food is satisfying and the wine list is sure to cheer on the grayest of Parisian days.

The chef is Catherine Guerraz, a tidy young woman raised in a restaurant family in France's southwest. Along with her genteel, outgoing husband, Frederic, she runs a fine traditional restaurant, with a colorful copper bar and walls filled with Art Deco mirrors, colorful patchwork tile floors and bric-a-brac.

On my most recent visit, I feasted on what is one of the city's best and freshest versions of sole meuniere, a giant whole sole dusted with flour and browned in sweet butter. Priced at 125 francs, this is a bargain worth the detour on its own.

But don't stop there: Try the steaming platter of warming pasta, tiny raviolis bathed in cream, tossed with mushrooms and a touch of crisp bacon.

Equally excellent is her cassoulet, here prepared with soothing white

beans, chunks of sausage and earthy portions of duck confit.

Lovers of the tiny fish known as *aperlans*, or smelt, will happily devour the gargantuan platter of deep-fried fish that arrives hot from the kitchen, needing no more than a sprinkling of fine sea salt and a few drops of freshly squeezed lemon juice. I loved, as well, the soothing rabbit terrine, or *compté de lapin*, compact, full-flavored and fresh.

Situated on a drab little street lost behind the Galeries Lafayette department store, Chez Catherine caters to a well-heeled and cheery French clientele. They happily chat across tables, advising newcomers on what's best on the current menu.

The wine list is brief, with some reds and whites worth discovering: Try the 1996 Cotes du Rhone Chateau d'Hugues, a ruby-red blend that's well priced at 145 francs a bottle.

We did not order the double-thick pan-fried steak served with its mind-boggling mountain of fries, but it is on my list for the next dinner at Chez Catherine, which will be very soon.

Chez Catherine, 65 rue de Provence, Paris 9; tel: 01-43-26-72-88. Credit card: Visa, MasterCard. Closed Saturday, Sunday, and Monday evening. A la carte, 200 to 250 francs (about \$33 to \$42).

## Discovering Iran: A Cultural Adventure

By Elaine Sciolino  
New York Times Service

**T**EHHRAN — The group of female American tourists danced a crowd-stopping dance of the veil. Outside the vast shrine in the center of Meshed, Iran, the women struggled with their chadors, shroud-like garments that cover all but the face and must be secured with one hand held under the chin. There are no hooks or zippers to make the job easier.

It was not enough that we were already wearing scarves on our heads and loose garments that hid the shape of our torsos. This was the holiest pilgrimage site in Iran, the place where Imam Reza, the eighth of the 12 imams, or religious leaders, in Shiite Islam, died in the ninth century and is buried. Even though the shrine itself was off limits to non-Muslims, we were allowed to walk through the outer courtyard, watch an informational film at a foreign reception center and tour the museums on the vast compound. But only if we disguised ourselves in the veils that our guide handed out as we emerged from our bus.

Iranian schoolchildren giggled at the sight. A grizzled Iranian man asked to have his picture taken with us. One of the men in our group threw his sport coat over his head and jumped into the picture.

Even I, who have been going to Iran as a journalist for 20 years, have never gotten used to this unwieldy garment, which lets me take notes only if I hold it together in my teeth.

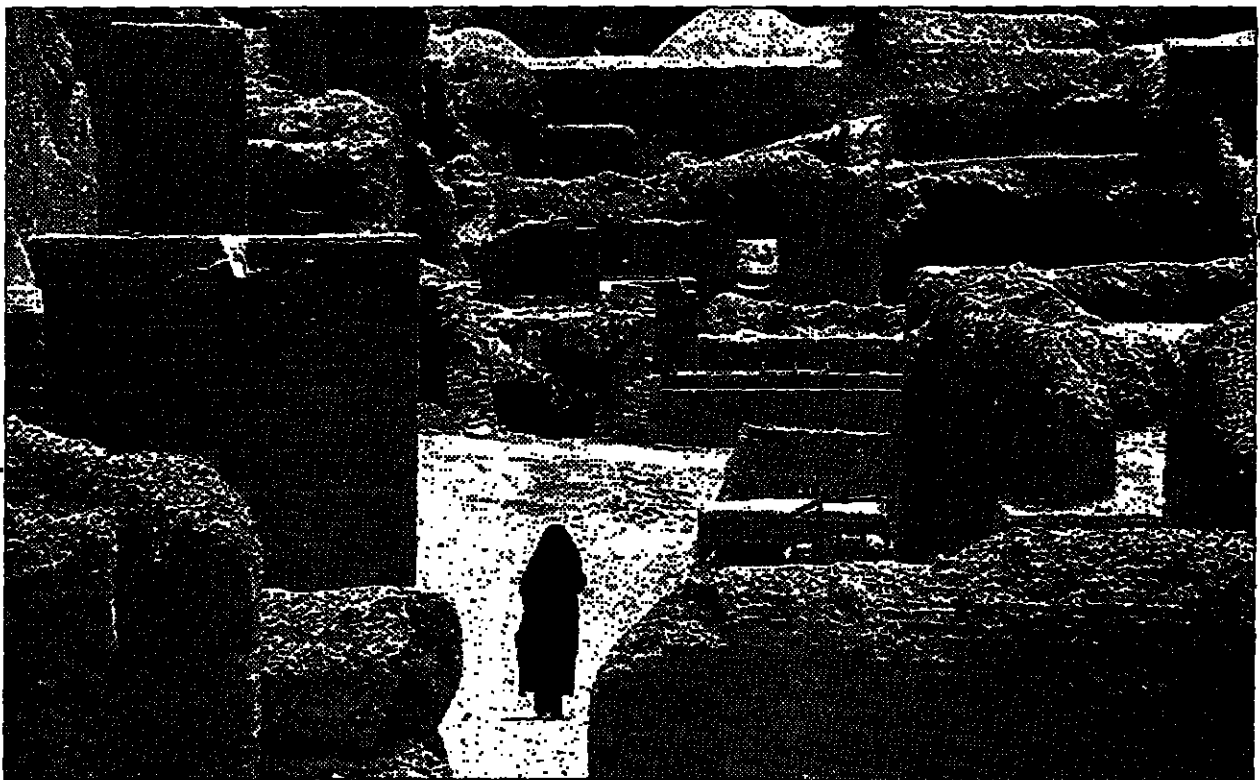
In the early years of Iran's revolutionary regime, which took power in 1979, tourists — particularly Americans — were considered dangerous invaders bent on sully Islamic purity with Western culture.

These days, American tourists are no longer considered as ugly as they once were. Iran's regime is beginning to smile back, luring them with its treasures: the monumental ruins of ancient Persia, the intricately patterned mosques of Islam, the glittering palaces of the shahs, the landscapes of snowcapped mountains and rice paddies and palm-studded deserts. For about two years, intrepid Americans have ventured in, most of them on group tours organized by U.S. and Canadian companies, but some on customized private visits.

My 18 traveling companions were intrepid, well traveled and well prepared. Our 14-day journey took us through Tehran, Meshed, Kerman, Shiraz, Persepolis, Esfahan, Kashan and Qum. We were free to go wherever we wanted and, except for military installations, airports, mosque interiors and some museums, took photographs as we wished.

Our guide was a retired teacher who could not quite support himself and his wife on his small pension.

Our tour was run by Bestway Tours and Safaris, of Vancouver. British Columbia, although several of us who had booked through Absolute Asia, a New York-based company, did not know that until we arrived. We also discovered that Bestway had charged tour members only \$2,790 for their trip, excluding air



A visitor in a chador walking through the ancient streets of Bam, a mud and brick citadel in southeastern Iran.

fare; we had paid Absolute Asia \$3,125. Iran's tourist infrastructure functions surprisingly well, considering how few high-paying tourists have ventured in over the last two decades. The hotels built during the 1970s oil boom have seen better days, but have been renovated and function fairly well.

### TOURIST INFRASTRUCTURE

Domestic air travel is cheap, remarkably safe and on time. Pharmacies are well stocked. Persian cuisine is a delight (when one can get away from the ubiquitous kabobs): fresh fruits and vegetables are grown throughout the country, and in Tehran the tap water is considered better than the bottled variety.

But our tour bus was in need of repair and cleaning. The air-conditioning blew hard through the holes where overhead lights should have been. There were no seat belts and no toilet. The choking air pollution from leaded gasoline fumes can be troubling for people with respiratory problems, particularly in the big cities such as Tehran and Esfahan.

Except at the mosques, the women in our group took risks with their dress almost from the start. Our guide made the mistake of telling us at our first orientation that we did not have to wear the poorly sewn, ankle-length polyester coats handed out at the beginning of the tour. So some women donned their husbands' shirts over pants and exchanged their scarves for hats. It was unseasonably hot, so we even dared to go bareheaded on the bus, which elicited wide-eyed stares (but no arrests).

Bending the rules did not extend to alcohol. When security guards at Tehran's Mehrabad Airport discovered several tiny bottles of liquor in the suitcase of one tour member, there were

threats to confiscate our luggage, hold up our departure and even try the alleged culprit in an Iranian court. Eventually, the security guard and airport police were paid off.

Throughout the trip, the official animosity toward the U.S. government contrasted sharply with the shock and sheer joy of ordinary Iranians in encountering Americans who liked Iran well enough to come touring.

What makes it especially difficult to penetrate the country is that Iranians operate in two worlds. Behavior is much more relaxed in the privacy of one's home, where even the most devout Muslim women remove their head coverings. And in secular families, one may even be offered a shot of bootleg vodka or a glass of homemade wine. For the most part, our group operated in a parallel universe, seeing the externals.

But there were moments of discovery, many of them disheartening. One woman in our group said that Iran would be a great place to take a bike trek, but then learned that men and women must ride bikes on segregated tracks. A man gave a young Iranian woman friend of mine a good-bye hug in front of our hotel in Shiraz, and she recoiled in fear: Men and women who are not close relatives are not even supposed to shake hands.

The American women were incensed that Iranian women have to ride in the back of the bus. And then there was the incident of the restaurant toilets in Shiraz. The men's was a familiar Western, chair-like model; the women's was, as in most places, a porcelain hole in the ground that required squatting.

We left the world of Shiite Islam far behind in Hamadan at a mausoleum with a basket of yarmulkes at the entrance and a wall engraved with the Ten Commandments in Hebrew.

We discovered a wedding reception at our hotel one evening in Shiraz and ventured in for a peek. The sister of the bride introduced us around to the other women, dressed in fancy cocktail dresses, their hair lacquered, their faces beautifully made up. They danced in a conga line led by the bride. The men, meanwhile, were banished to a separate room, just as at an Orthodox Jewish wedding.

**BEAUTY OF PERSEPOLIS** But it was Persepolis, the seat of Persia's ancient kings and Iran's most important archaeological treasure, that awed the Americans. Walking through the vast remains of the palace started in the sixth century B.C. by Darius the Great reduced our garrulous group to few words.

It is hard to go it alone as a tourist in Iran. Technically, tourists must be invited by the Iranian government. A number of U.S. companies provide organized tours and can facilitate the visa application process. It is probably safer traveling with a tour operator known to Iranian authorities. Inventive travelers can add on their own personalized itineraries.

سفرهای ایرانی



THE CAR COLUMN

# For Steel-in-Style, the Audi TT

By Gavin Green

**W**HO makes the best car in the world? Ask 20 top engineers and designers and you'll probably get 15 different answers. But ask the same people to list the manufacturer who currently makes the world's most beautiful cars — which I did, at a recent motor show — and there will be surprising unanimity. Most will say they love the new Alfa Romeo 156, they think Chrysler's concept cars are far-sighted and brave and BMWs have an elegant consistency. But the loveliest cars in the world are currently made by Audi.

Great style has become the key to Audi's success. Thanks to their progressive shapes, Audis are now fully aimed at architects, designers and the visually avant-garde. Mercedes has its class and heritage; BMW may still be the ultimate driving machine. But if you want style-in-steel (or sometimes, in aluminum), you've got to get into an Audi.

It's a strategy that has clearly worked. Last year in Europe, the Audi A4 easily outsold the rival Mercedes C-class, while the Audi A6 enjoyed a 42 percent sales jump, to finish close behind the BMW 5-series and the Mercedes E-class, and well ahead of rival Volvos and Saabs.

The artistic armor is all the more important when you realize that, behind the coach-building couture, Audis are mostly just souped-up Volkswagens. They are testament to the cost-controlling genius of the "common platform" strategy, which Volkswagen now masters more than any other carmaker. In a nutshell, the idea is to make a vast number of near-identical mechanical platforms. And then clothe them in as many visually distinct body styles as the market dictates. Presto! A large and inexpensively conceived car range is born.

The new Audi TT, widely lauded as the most eye-catching car of the past few months, is the perfect example. It is a two-door, low-slung, ground-hugging, high-speed sports car. Yet take away that gorgeous yet highly individualistic shell, and guess what lies underneath? A



Volkswagen Golf. Oh yes, its engine is turbocharged (as it is in the Golf GTI), the suspension is firmer, and a four-wheel-drive transmission parcels out the power to all four corners of the car. But in terms of major hardware, the Audi TT is a Golf-in-disguise. To prove just how diverse this common platform strategy can be, other Golf-based cars include the new Beetle, the Skoda Octavia, the small Audi A3 and the Seat Toledo.

## SMOOTH EXECUTION

Even more impressive than the concept is the execution. The family car lineage does not seriously compromise the TT in any way. It handles superbly. It rides well. It steers with a sharpness and precision that is better than most BMWs. The grip, aided by the quattro four-wheel-drive transmission, is especially impressive. So is the performance. Forget about the family-car roots. Much work has gone into the (once) humble 1.8-liter four-cylinder engine, including five-valve heads and the turbocharger, and the upshot is substantially more performance than the substantially more expensive Porsche Boxster.

The only downside with the engine is the noise. Sports cars should serenade with their exhaust music, as well as stimulate with their performance. The

TT sounds about as sexy as a didgeridoo. Instead of an uplifting growl, there's a demotivating drone.

The best part of the car is the style, though. Its rounded, armadillo-like shape is hugely unconventional and incredibly brave. Yet it works. Like all Audis, the surface work is clean and taut, and the body is a homogenous whole rather than a series of disjointed shapes.

And it isn't just the exterior, either. The interior, the part of the car that designers traditionally ignore and yet where customers spend the most time, is novel, beautiful and uplifting. The plastics are of superb quality, and aluminum rings the instruments and laces other parts of the cabin, including the pedals. Neat touches include the aluminum bezels around the vents, which rotate to alter air flow.

A big aluminum brace in the center console increases the modern, metallic feel of the cockpit. It's a refreshing change from that outdated Edwardian leftover wood — which tradition, rather than common sense, says should be used in luxury cars. (Everyone knows that the only two makers in the world that can properly craft wood, in car cabins, are Rolls-Royce and Jaguar.) The only weak points in the cabin are the rear chairs. They are hopelessly small and cramped, even by sports car standards. At least they fold forward to boost luggage space.

You don't buy an Audi TT for the back seat or the trunk. Instead you buy it to drive, and to look at. It scores spectacularly well on both fronts. It is a car of style and substance. And is further evidence of Audi's spectacular progress in the '90s. When the decade is over, and the trophies are handed out, Audi not only wants to be remembered as the style master of the fin-de-siècle. It also deserves to be regarded as "most improved" carmaker of the period. For the new millennium, its ambitions are even richer.

• Audi TT Coupe. About \$50,000. Four-cylinder engine, 1.8 liter, 20 valves, 225 bhp at 5,900 rpm. Front engine, four-wheel drive. Maximum speed: 230 kph (143 mph). Acceleration: 0-100 kph in 6.3 seconds. Average fuel consumption: 9.8 liters/100 km.

Next: The Jaguar S-type  
Gavin Green is editor in chief of Car magazine.

## RECORDINGS

• **MICHEL PETRUCCIANI**, "Live Solo" (Dreyfus). The final album by the late French pianist, on stage in Frankfurt. He was at his best when there was nobody between him and the audience. Very few improvisers could combine technique with soul, respect for tradition with a sense of adventure, commercialism with purity and humor with gravitas quite like him. From "Besame Mucho," to "Caravan," and his own "Little Piece in C for U" and "Chloe Meets Gershwin," he is eclectically eccentric, in the slot, harmonically rich. History will treat him well.

• **LUCINDA WILLIAMS**, "Car Wheels on a Gravel Road" (Mercury). The producer Joe Boyd calls this album the "Blonde on Blonde" of the '90s. And Williams' voice has been described as a "mixture of honey and bourbon." Country music meets the blues. She composed most of the songs — two of them are "Drunken Angel,"

which is kind of what she sings like, and "Concrete and Barbed Wire," a good description of the blue look of the country she occupies. And the first two lines of "Joy" go like this: "I don't want you anymore/ Cause you took my joy."

• **J.J. JOHNSON**, "Heroes" (Verve). Probably the most important virtuoso in the history of the trombone since it evolved from the sackbut. Johnson, 74, says that this is his last recording before retirement. He has never sounded better — firm as ever though amazingly youthful. One track presents seven choice minutes of acoustic Wayne Shorter. On another, he overdues himself on a two-trombone line reminiscent of Jay and Kai. The "heroes" of the title are the creators of modern jazz, but there's no doubt about who's the real hero here.

Mike Zwerin/IHT

## BRIDGE

By Alan Truscott

**W**HETHER an expert can perform at a high level if the demands of work and family force him or her to severely limit appearances at the card table is debatable. One who clearly can is Greg Woods of Westport, Connecticut, an options trader whose team won the Tri-State Regional Knockout Team title in Port Chester, New York. He and two teammates, Gene Hage and Tom Smith, won the same title last year, and this year his other teammates were Alex Allen, Alex Pineles and Richard De Martino.

The final was a cliffhanger. In the diagrammed deal, Saxe

was South, partnering Woods, and ventured a three-heart bid when East raised spades over a take-out double. This was not as risky as it might appear, since North was known to be short in spades and a crossruff was predictable.

A spade was led, and South captured East's queen with the ace, throwing a diamond from dummy. A diamond was led to the ace and a diamond was ruffed. South next led the heart jack, and East took his ace and returned a trump, won in dummy.

A low club was led, and the nine, 10 and jack were played. Now South had to locate the club ace. If East held ace-queen there was no hope,

and he would not have played the nine if he held the four.

The significant positions, therefore, were those in which East began with a doubleton ace-nine or queen-nine. Saxe decided that the latter was unlikely, for if West held the ace he would probably have persevered with three spades over three hearts. At his next opportunity therefore, after ruffing a spade lead in the dummy, he played another low club and made his game when the ace popped up.

In the replay the bidding began similarly but South passed over two spades. The defense slipped slightly, allowing an overruff that proved to be crucial when the

Woods team won the match and the title by one imp.

**NORTH**  
♠ K Q 8 5  
♥ A J 10 3  
♦ K 8 5 3

**WEST**  
♠ K J 9 7 2  
♥ Q 8 7  
♦ Q J 2  
♣ Q J 4

**EAST (D)**  
♠ Q 8 6 5  
♥ A 3  
♦ K 8 6 5  
♣ A 9

**SOUTH**  
♠ A 10 4 3  
♥ J 10 4 2  
♦ 4  
♣ 10 7 6 2

Both sides were vulnerable. The bidding:  
East: 1♣ Pass 1♠ Pass 2♠ Pass 3♠ Pass 4♠ Pass 5♠ Pass 6♠ Pass 7♠ Pass 8♠ Pass 9♠ Pass 10♠ Pass 11♠ Pass 12♠ Pass 13♠ Pass 14♠ Pass 15♠ Pass 16♠ Pass 17♠ Pass 18♠ Pass 19♠ Pass 20♠ Pass 21♠ Pass 22♠ Pass 23♠ Pass 24♠ Pass 25♠ Pass 26♠ Pass 27♠ Pass 28♠ Pass 29♠ Pass 30♠ Pass 31♠ Pass 32♠ Pass 33♠ Pass 34♠ Pass 35♠ Pass 36♠ Pass 37♠ Pass 38♠ Pass 39♠ Pass 40♠ Pass 41♠ Pass 42♠ Pass 43♠ Pass 44♠ Pass 45♠ Pass 46♠ Pass 47♠ Pass 48♠ Pass 49♠ Pass 50♠ Pass 51♠ Pass 52♠ Pass 53♠ Pass 54♠ Pass 55♠ Pass 56♠ Pass 57♠ Pass 58♠ Pass 59♠ Pass 60♠ Pass 61♠ Pass 62♠ Pass 63♠ Pass 64♠ Pass 65♠ Pass 66♠ Pass 67♠ Pass 68♠ Pass 69♠ Pass 70♠ Pass 71♠ Pass 72♠ Pass 73♠ Pass 74♠ Pass 75♠ Pass 76♠ Pass 77♠ Pass 78♠ Pass 79♠ Pass 80♠ Pass 81♠ Pass 82♠ Pass 83♠ Pass 84♠ Pass 85♠ Pass 86♠ Pass 87♠ Pass 88♠ Pass 89♠ Pass 90♠ Pass 91♠ Pass 92♠ Pass 93♠ Pass 94♠ Pass 95♠ Pass 96♠ Pass 97♠ Pass 98♠ Pass 99♠ Pass 100♠ Pass 101♠ Pass 102♠ Pass 103♠ Pass 104♠ Pass 105♠ Pass 106♠ Pass 107♠ Pass 108♠ Pass 109♠ Pass 110♠ 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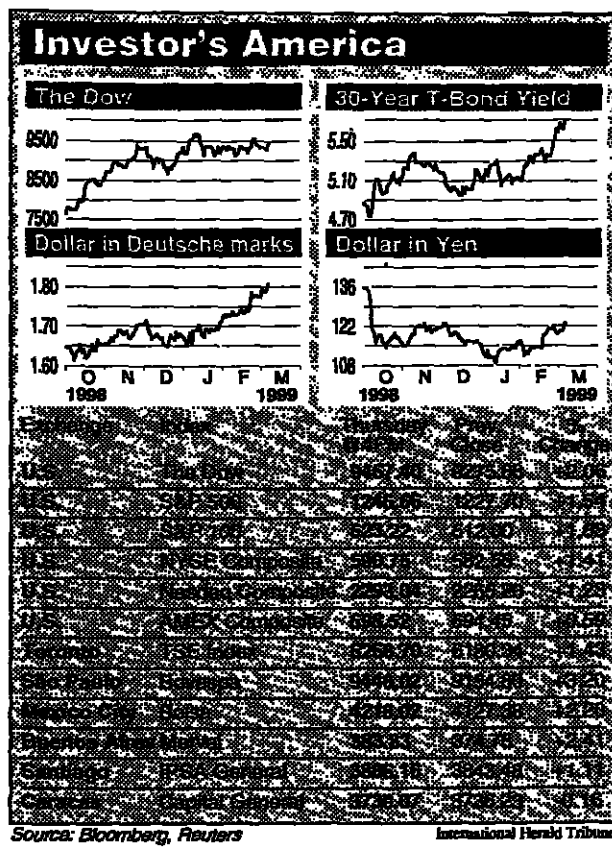


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## THE AMERICAS



## Very briefly:

- Lockheed Martin Corp.'s lawsuit accusing Raytheon Co. of backing out of a joint venture to build anti-missile missiles was dismissed by a judge in U.S. District Court in Fort Worth, Texas.
- Staples Inc., the U.S. office supply retailer, posted net income of \$101 million for the quarter to Jan. 30, up from \$70 million a year ago, and that it would begin to buy back as much as \$200 million of its common stock.
- Brazil's Senate approved the nomination of Arminio Fraga to become head of the central bank.
- Brazilian car and truck sales fell 57 percent in February from a year ago, depressed by high interest rates and rising prices following a currency devaluation.
- NCR Corp.'s board has authorized a 1-for-10 reverse stock split, to be followed immediately by a 10-for-1 split, allowing holders of less than 10 shares to sell them to NCR without brokerage fees or commissions. *Bloomberg, AP, NYT*

## Support for Microsoft Breakup

**NEW YORK** — The largest U.S. software-industry trade group has recommended that if the government wins its antitrust suit against Microsoft Corp., it should seriously consider breaking up the software giant as a cure for what it called "the competitive crisis plaguing the software industry."

But the report by the Software and Information Industry Association, presented two weeks ago to the Justice Department, warned the government not to impose sanctions on Microsoft that could "fracture" the role of the company's Windows operating system as an industry standard.

The preferred option, according to an industry executive, was a breakup of Microsoft into three companies, one for operating systems, one for software applications and the third for Internet media and other commerce.

## Alcatel Makes New U.S. Buy

Compiled by Our Staff From Dispatches

**PARIS** — Alcatel SA, the French telecommunications equipment maker, announced Thursday its second acquisition this week of a U.S. technology company, as well as the establishment of a new Internet division.

Alcatel has agreed to buy Assured Access Technology Inc. for \$350 million, which includes the cost of the equity purchase and a technology development incentive plan.

Assured Access, based in Milpitas, California, makes remote-access nodes that let phone companies and Internet access providers sell services allowing people to dial into a network from remote locations, such as their home or an airport.

Alcatel agreed Tuesday to buy Xylan Corp., a U.S. maker of data-routing equipment.

Assured Access will continue to operate under its name. The company's founder, Arthur Klein, will remain chief executive, and Martin de Prycker, who was recently appointed president of Alcatel's Internet division, will serve as chairman.

Alcatel announced the establishment of the Internet division, which will provide equipment for carriers and service providers, on Thursday.

"Alcatel is now a credible competitor in the Internet market," said Douglas Smith, an analyst at Salomon Smith Barney.

The United States is now Alcatel's biggest market, accounting for 20 percent of sales.

Now that Alcatel is catching up with its North American rivals, it has increased pressure on other European companies, such as Siemens AG and Ericsson AB, to make similar moves into the data networking market, analysts said.

Siemens is expected to announce plans for its U.S. expansion in the field. *(Bridge News, Bloomberg)*

## IBM-Dell Deal Propels Broad Wall Street Rally

Compiled by Our Staff From Dispatches

**NEW YORK** — U.S. stocks rose sharply Thursday, led by higher oil prices, a stable bond market and especially a \$16 billion alliance between IBM and Dell Computer.

The Dow Jones industrial average finished 191.52 points higher at 9,467.40, with advancing issues leading declines by a 4-to-3 ratio on the New York Stock Exchange.

Broader indicators were higher as well, with the Nasdaq composite index rising 27.84 points, to 2,293.04, and the Standard & Poor's 500-stock index closing up 18.96 points, at 1,246.66.

The Dow was lifted by IBM, which rose 3 1/2 to 170 1/2 after signing the seven-year deal to provide components to Dell. The maker of personal computers also gained, rising 15 1/2 to 81 1/2, and was the most-active issue on the Nasdaq.

Among other Nasdaq stocks, Verio rose 4 to 36 1/2 after it said it would provide exclusive business Web-page hosting for America Online.

But Amazon.com limited gains among technology shares, falling 2 1/2 to 121 after it announced that it was offering a \$5 rebate to customers who had not ordered recently.

"On a short-term basis, it could be perceived as negative," said Ryan Jacob, portfolio manager

## U.S. STOCKS

of the Internet Fund. Aggressively spending money could mean that it will take Amazon.com longer to start making money, he said.

CompUSA fell 1 1/2 to 8 7/16 after an analyst said he thought customer traffic in the stores of the largest U.S. computer retailer was lower than expected.

Financial-services stocks rose as Treasury bond prices were little changed after declining Wednesday. The 10-year Treasury note rose 1/8 to 113 11/16. The benchmark 30-year bond fell 1/32 to 93 20/32, raising its yield to 5.70 percent, as traders

awaited the February unemployment report due Friday.

The market showed little reaction to a government report that new orders for U.S. factory goods rose 1.7 percent in January, to a \$349.6 billion annual rate. Analysts said the increase, which followed a 2.3 percent gain in December, might signal the start of a rebound in manufacturing after a year of struggling with fallout from the Asian economic crisis.

The government also reported that new claims for unemployment compensation fell by 8,000 in the week that ended Monday, the lowest level in 10 years.

Oil and oil-service stocks rose in tandem with higher oil prices. Exxon rose 2 1/4 to 67 13/16 and Halliburton gained 1 3/4 to 32.

Retailers gained after U.S. chain stores said sales at stores open more than a year rose in February. Wal-Mart, whose February sales rose 10.3 percent, rose 2 to 88 1/2. *(AP, Bloomberg)*

## European Bank Holds Steady on Rates

Compiled by Our Staff From Dispatches

**FRANKFURT** — The European Central Bank left interest rates unchanged Thursday but adopted a tone of concern over the European economy, saying that previously identified "risks" to growth have begun to "materialize."

The president of the new bank, Wim Duisenberg, also said the recent drop in the value of the euro was not a cause of concern, but he warned that if exchange rates became "seriously out of line," then the bank would probably react.

Noting that economic growth in the euro-zone economies weakened in the fourth quarter last year and that industrial confidence has continued to decline, Mr. Duisenberg said, "The latest indicators confirm that those risks which we identified earlier have now materialized to some extent."

The bank's decision to leave its refinancing rate for the 11 countries in the single currency unchanged at 3 percent sent the euro lower. Although few traders had predicted any cut, new signs of weakness in the field. *(Bridge News, Bloomberg)*

half-percentage-point decrease.

In 4 P.M. trading, the new currency was at \$1.0813, down from \$1.0883 on Wednesday. It has fallen steadily since its introduction, at \$1.1667, at the start of the year.

Robert Katz of MTB Bank said the euro would keep falling to new

lowers as traders expressed disappointment over what they have called the central bank's passive stance on promoting growth in the region.

Germany said fourth-quarter gross domestic product fell 0.4 percent, the first such contraction in three years.

"They want them to cut," Ben Strauss of Bank Julius Baer said of traders' expectations for the bank, and they're not cutting. Therefore the dollar's higher."

The dollar also gained against the yen, hitting a three-month high, as the Bank of Japan pumped more money into the banking system, driving down the return on yen deposits.

Traders sold yen after the deputy finance minister, Koji Tanami, de-

## AT&amp;T in Canada Joins MetroNet

The Associated Press

**NEW YORK** — AT&T Corp. said Thursday it would combine its Canadian operations with MetroNet Communications Corp., a local Canadian phone-service supplier to businesses, in a deal that values MetroNet at \$2.3 billion.

The deal will enable the combined company to offer Canadian business customers products ranging from long-distance to Internet access to local phone service.

It would also extend AT&T's strategy of creating a "one-stop shop" for telecommunications.

MetroNet shareholders will own 69 percent of the combined company, and AT&T would have the remaining 31 percent.

Upon approval of the deal by regulatory agencies, AT&T has agreed to buy all of MetroNet's shares for at least 75 Canadian dollars (\$49.15) a share or the appraised market value of MetroNet shares at the time.

## CARS: India's Venerable 'Amby' Runs Into Trouble as the Model's Market Share Declines to 5 Percent

Continued from Page 11

1,000 workers," said R. Santhanam, the company's chief executive.

The average pay in the Uttarpara factory is \$140 a month, which is not insubstantial to a worker in one of the world's poorest countries.

In October, the company offered its older employees a lump-sum buyout but found few takers.

There is urgency to lowering costs. In the past year, the factory lost \$9.5 million, according to Mr. Chatterjee.

Scaling back hours was Hindustan Motors' fallback

option, and late last year the company announced that it wanted to reduce the workweek to three days from six and cut wages accordingly.

By law, such action requires government approval, hard to come by in most states, but nearly impossible in West Bengal, where Communists have been

in power for 22 years. When the company proposed a re-

trenchment, its unions protested. "Hindustan Motors has sucked the blood out of its workers and now wants to discard them," said Samar Chakraborty, joint general secretary of the Indian Trade Union Congress.

"Management has shown little understanding of modern marketing," said Ajit Chakraborty, another union leader. "The true punishment should be given to the people who have done the bad work, the people who run the company."

The union general secretary points out that Hindustan Motors, flagship of the C. K. Birla Group, is still turning a profit, largely through its production of other vehicles at other sites. The company's after-tax earnings in its most recent year were \$9.4 million, according to its annual report.

The company has gone ahead with its plans to operate with a reduced workweek. But without government approval, it must pay the workers their full wages.

In January, the West Bengal labor department rejected the company's proposed retraining plan as "absurd," issuing a decision that classified management for inefficiency.

"Why didn't the Ambassador respond to changing times?" said V. Subramanian, a labor secretary.

It had a virtual monopoly at one time, but this was not a monopoly that could last forever."

The Indian auto market changed radically in 1984 when the first Maruti 800 came off the assembly line.

The product of a joint venture between the government and Suzuki Motor Corp., the car was small and cute and easy to drive.

Hindustan Motors never contested with its own subcompact, while Maruti added a line of sedans, four-wheel-

drive vehicles and minivans. For its most recent year, Maruti Udyog Ltd. had an 86 percent share of new-car sales in India.

In the 1990s, as India rid itself of many of the shackles of Nehru-era socialism, some of the world's biggest auto-makers decided to enter the market and assemble cars.

Among the companies that jumped in were Ford Motor Co., General Motors Corp., PSA Peugeot Citroen SA, Daewoo Motor Co. and Honda Motor Co. To varying degrees, most have forged partnerships with Indian companies.

Over the past two years, as factories have opened, a new model or make has entered the showrooms every few months.

Hindustan Motors itself recently introduced the mid-sized Mitsubishi Lancer, an automobile that the company produces in a modern factory in Madras using Japanese technology.

India's potential market has sent many an auto executive's salivary glands into overdrive. The country has nearly a billion people and 50 million urban households.

Just a few years back, as car-buying appeared to be in a pattern of exponential growth, many analysts said sales were headed toward nearly 900,000 a year by the turn of the century.

This has proved wildly optimistic, and most manufacturers are now fighting price wars. In this fadish competition, the Ambassador seems stodgier than ever, even if it can now be bought with an Isuzu engine.

## U. S. STOCK MARKET DIARY

Thursday, March 4									
Most Active									
Index	High	Low	Last	Chg	Vol	High	Low	Last	Chg
Dow Jones	9467.40	9467.40	9467.40	+191.52	1,246.66	2,293.04	2,293.04	2,293.04	+27.84
Nasdaq	2293.04	2293.04	2293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
Standard & Poor's	1,246.66	1,246.66	1,246.66	+18.96	1,246.66	1,246.66	1,246.66	1,246.66	+18.96

NYSE									
Index	High	Low	Last	Chg	Vol	High	Low	Last	Chg
Composite	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
Industrial	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
Transportation	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
Utilities	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
SP 500	1,246.66	1,246.66	1,246.66	+18.96	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
SP 100	615.02	615.02	615.02	+22.22	1,246.66	1,246.66	1,246.66	1,246.66	+18.96

NYSE									
Index	High	Low	Last	Chg	Vol	High	Low	Last	Chg
Composite	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
Industrial	2,293.04	2,293.04	2,293.04	+27.84	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
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SP 500	1,246.66	1,246.66	1,246.66	+18.96	1,246.66	1,246.66	1,246.66	1,246.66	+18.96
SP 100	615.02	615.02	615.02	+22.22	1,246.66	1,246.66	1,246.66	1,246.66	+18.96

REVERSE STOCK SPLIT									
Dreyfus Grand Ice	Q	.01	3-16	4-7					
Pet Muth Svgs Bk	Q	.01	3-17	4-7					
Fleming Cos	Q	.02	5-20	6-10					
Medtronic Inc	Q	.065	4-9	4-30					
NW Biol	Q	.01	3-16	4-7					
Pharm AZ Presn	Q	.0005	3-22	3-29					
OHSJ, Plnd	Q	.125	3-1	4-15					
Oppenheimer Muth	Q	.065	3-12	3-26					
Semoro Energy	Q	.39	3-19	4-15					
Stevens Gas Corp	Q	.015	5-17	6-1					
Strat 11	Q	.3	3-15	4-7					
Union Carb	Q	.01	3-18	4-7					
INCREASED									
Coto Corp	Q	.055	3-15	3-29					
Indiana Util Bncp	Q	.14	3-19	4-7					
Nucor Inc	Q	.12	3-31	5-12					
REDUCED									
Global Income Fd	M	.05	3-18	3-31					



## EUROPE

## LVMH Abandons Bid for Seat on Gucci Board

PARIS — LVMH Moët Hennessy Louis Vuitton SA said Thursday it was abandoning its bid for a seat on the board of the Italian fashion house Gucci Group NV after a Dutch court temporarily suspended its voting rights in Gucci until April.

A Gucci spokesman in Milan said, meanwhile, that the company remained ready to talk to LVMH, which has built up a 34.4 percent stake in Gucci this year, but that the French luxury-goods giant must bid for all stock if it wanted to take over Gucci.

LVMH said it was withdrawing

its proposal to nominate an "independent candidate" to the Gucci board. But it also said it was "very satisfied" with a Dutch court ruling on Wednesday that suspended its voting rights in Gucci until April 22, because the court had "recognized the serious legal problems" raised by Gucci's attempt to block a board seat for LVMH.

Gucci said that the delay in a final court ruling would provide time for an amicable solution, and that Gucci and its partners remained available for talks with Bernard Arnault, the chief executive and controlling shareholder of LVMH. LVMH had

gone to court to try to reverse Gucci's move to issue millions of new shares to an employee trust fund to ensure LVMH would be outvoted at special shareholders' meeting on March 23 to decide whether to allow a nominee of the French company onto the board. Gucci on Thursday canceled the meeting.

The Dutch court temporarily suspended LVMH's voting rights on Wednesday — effectively meaning it would not have won any vote on March 23 — but said the move was designed to give the court time to draw up a detailed final judgment.

A Gucci spokesman said on

Thursday that LVMH's decision to withdraw its candidate for the board showed the French company "feared the March 23 shareholders' meeting would reject its request."

In its ruling, the Amsterdam Court of Appeals said it doubted Gucci's policy of issuing shares to an employee trust fund was legal. It added that LVMH's conduct in acquiring its current shareholding in Gucci also may not be in line with accepted behavior.

"Neither the employee trust fund nor LVMH may make use of their voting rights until the court has taken its decision," the court said.

## Canal Plus Cuts Off Talks With BSkyB

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PARIS — Talks on a possible link between pay television channels of Canal Plus SA of France and British Sky Broadcasting Group PLC have been suspended, and no further meetings are planned, Canal Plus said Thursday.

Rupert Murdoch, who controls BSkyB, and Pierre Lescure, president of Canal Plus, met here Wednesday to discuss a possible tie-up between BSkyB and the French pay television channel, but no agreement was reached.

Shares of both companies fell Thursday, with Canal Plus at 277 euros (\$301), down 8.80, and BSkyB at 550 pence (\$8.87), down 11.

"BSkyB had very little to offer other than that they were a bigger company," said Terry Povey, an analyst at HSBC Securities Inc.

BSkyB approached Canal Plus about a link after Mr. Murdoch's efforts to invest in Telecom Italia SpA's Stream pay-television service failed last month. A Canal Plus link would have given Mr. Murdoch access to the French market, as well as to Italy, Spain and the Netherlands.

But the two sides had been unable to agree on conditions by Canal Plus that the company remain a French entity, that Canal Plus control the management and that the new company protect French, Italian and European culture, the Canal Plus statement said.

Mr. Lescure had said he would be willing to consider a merger with BSkyB as long as the French partner ran the business. (AP, Bloomberg)

## Better Shopping For Tunnel Users

Compiled by Our Staff From Dispatches

LONDON — Passengers using the Channel Tunnel between England and France will benefit from an increase of shopping facilities under a 15-year deal announced Thursday by Eurotunnel and the British Airports Authority. The deal gives BAA, which manages most of Britain's airports, operation of retail facilities at the Folkestone and Calais terminals on both sides of the English Channel.

The partnership will not be affected by the expected European Union decision to abolish duty-free shopping this summer, the companies said.

Eurostar UK, the British arm of the group operating the Channel trains, also said on Thursday that a management overhaul had helped it cut operating losses by 30 percent. (Reuters, AFP)

## GERMANY: Bonn Ignores Business Protests on Tax Plan

Continued from Page 1

week on its front page over the "revolt by business." In what the Frankfurt Allgemeine Zeitung said was a rare degree of fury, 22 top managers from industry leaders such as the airline Lufthansa and chemical maker BASF AG published an open letter to Mr. Schroeder warning him that his tax policies "give reason for fear" for jobs and investment.

The backlash over tax policy adds to the mounting criticism of Mr. Schroeder's administration.

The new government, which is openly split between Mr. Schroeder's pragmatist wing and Mr. Lafontaine's rival clique of old-style socialists, has come under fire for a series of inconsistent pronouncements and policy reversals. The government already has confounded voters with zigzags on plans to withdraw from nuclear power and a new bill to regulate low-paying, part-time jobs. It also corrected itself on a plan to overhaul nationality laws.

On the tax legislation, the lower

chamber of Parliament voted largely along coalition lines, by 312 to 251 with 27 abstentions. The bill, which ranks among the government's most important policy priorities, is expected to clear the final hurdle March 19 and become law after a vote in the Bundestag, the upper chamber.

To create "more tax fairness" for average-income families and work would phase in a series of tax cuts between the years 2000 and 2002. The lowest income tax bracket would drop to 19.9 percent from 23.9 percent, and the top tax rate would fall to 48.5 percent from 53 percent. Overall, Germans would pay 19.5 billion Deutsche marks (\$10.9 billion) less in taxes by 2002.

But to finance the lost revenue, Mr. Lafontaine's plan would scrap dozens of tax breaks and loopholes that have benefited businesses for years. That means that business basically picks up the bill for some 57 billion DM in lost tax revenue.

"Whether big or small companies, whether domestic or foreign

investors, everyone says the same thing: The tax reform will cost jobs," said Hans-Olaf Henkel, president of the German Industry Federation, speaking before the vote.

"Everyone sees that clearly, but not Lafontaine and his advisers."

The opposition leader, Friedrich Merz of the conservative Christian Democrats, charged that Germany's already feeble economy would be "strangled" by the changes.

One day earlier, the Bundestag approved another benchmark tax change that similarly drew the ire of industry. Lawmakers passed the "ecology tax" legislation that raises taxes on gasoline and other fuels with the aim of using the extra income to offset Germany's steep welfare costs, which in turn is meant to lower wage costs and boost job creation.

The fragility of Germany's economy was again highlighted Thursday when the Federal Statistics Office reported that the West German economy contracted in the fourth quarter last year, confirming a report last month by the Bundesbank.

## Investor's Europe

Frankfurt DAX	London FTSE 100 index	Paris CAC 40
5800	6000	4400
5400	5800	4200
5000	5600	4000
4600	5400	3800
4200	5200	3600
3800	5000	3400
3400	4800	3200
3000	4600	3000
2600	4400	2800
2200	4200	2600
1800	4000	2400
1400	3800	2200
1000	3600	2000
600	3400	1800
200	3200	1600
0	3000	1400

Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam AEX	598.89	598.89	598.89	-0.62
Brussels BEL-20	3,273.76	3,273.76	3,273.76	-0.63
Frankfurt DAX	4,976.72	4,976.72	4,976.72	-0.40
Copenhagen Stock Index	598.89	598.89	598.89	-1.04
Helsinki HEX Generali	6,128.28	6,128.28	6,128.28	+0.11
Oslo OBX	533.60	533.60	533.60	-0.18
London FTSE 100	6,101.40	6,101.40	6,101.40	+0.88
Madrid Stock Exchange	876.68	876.68	876.68	+1.07
Milan MIBTEL	2,823.2	2,823.2	2,823.2	-0.28
Paris CAC 40	4,087.99	4,087.99	4,087.99	+2.09
Stockholm SK 16	4,035.48	4,035.48	4,035.48	+0.11
Vienna ATX	1,446.86	1,446.86	1,446.86	-0.52
Zurich SPI	4,495.80	4,495.80	4,495.80	-1.54

Source: Reuters International Herald Tribune

## Very briefly:

- President Boris Yeltsin is prepared to intervene personally in loan talks between Russia and the International Monetary Fund if the talks break down, Mr. Yeltsin's spokesman said. The IMF and Moscow have been at odds for six months over the resumption of loans.
- Telecom Italia SpA gave its chief executive, Franco Bernabè, a mandate to defend the company from a hostile bid by Olivetti SpA and called a board meeting for Wednesday.
- Vickers PLC's 1998 profit rose to £157 million (\$253.9 million) from £19.4 million a year ago as a one-time gain of £101.4 million from the sale of divisions, including Rolls-Royce Motor Cars, offset a decline in earnings at its tanks business.
- British Telecommunications PLC and AT&T Corp. named David Dorman to head their planned \$10 billion joint venture. Mr. Dorman is currently head of PointCast Inc., a privately held Internet information company. (Bloomberg, Reuters)

## WORLD STOCK MARKETS

Thursday, March 4	High	Low	Close	Prev.
Prices in local currencies				
Amsterdam AEX index	598.89	598.89	598.89	598.89
Brussels BEL-20	3,273.76	3,273.76	3,273.76	3,273.76
Frankfurt DAX	4,976.72	4,976.72	4,976.72	4,976.72
Copenhagen Stock Index	598.89	598.89	598.89	598.89
Helsinki HEX Generali	6,128.28	6,128.28	6,128.28	6,128.28
Oslo OBX	533.60	533.60	533.60	533.60
London FTSE 100	6,101.40	6,101.40	6,101.40	6,101.40
Madrid Stock Exchange	876.68	876.68	876.68	876.68
Milan MIBTEL	2,823.2	2,823.2	2,823.2	2,823.2
Paris CAC 40	4,087.99	4,087.99	4,087.99	4,087.99
Stockholm SK 16	4,035.48	4,035.48	4,035.48	4,035.48
Vienna ATX	1,446.86	1,446.86	1,446.86	1,446.86
Zurich SPI	4,495.80	4,495.80	4,495.80	4,495.80

High	Low	Close	Prev.
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Oslo OBX	533.60	533.60	533.60
London FTSE 100	6,101.40	6,101.40	6,101.40
Madrid Stock Exchange	876.68	876.68	876.68
Milan MIBTEL	2,823.2	2,823.2	2,823.2
Paris CAC 40	4,087.99	4,087.99	4,087.99
Stockholm SK 16	4,035.48	4,035.48	4,035.48
Vienna ATX	1,446.86	1,446.86	1,446.86
Zurich SPI	4,495.80	4,495.80	4,495.80

High	Low	Close	Prev.
Amsterdam AEX	598.89	598.89	598.89
Brussels BEL-20	3,273.76	3,273.76	3,273.76
Frankfurt DAX	4,976.72	4,976.72	4,976.72
Copenhagen Stock Index	598.89	598.89	598.89
Helsinki HEX Generali	6,128.28	6,128.28	6,128.28
Oslo OBX	533.60	533.60	533.60
London FTSE 100	6,101.40	6,101.40	6,101.40
Madrid Stock Exchange	876.68	876.68	876.68
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**Thursday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

<p> <input type="checkbox"/> 1. 姓名: <input type="text"/> 性别: <input type="checkbox"/> 男 <input type="checkbox"/> 女  <input type="checkbox"/> 2. 年龄: <input type="text"/> 岁  <input type="checkbox"/> 3. 职业: <input type="text"/>  <input type="checkbox"/> 4. 住址: <input type="text"/>  <input type="checkbox"/> 5. 联系电话: <input type="text"/>  <input type="checkbox"/> 6. 电子邮箱: <input type="text"/>  <input type="checkbox"/> 7. 身份证号: <input type="text"/>  <input type="checkbox"/> 8. 其他: <input type="text"/> </p>		<p> <input type="checkbox"/> 9. 婚姻状况: <input type="checkbox"/> 未婚 <input type="checkbox"/> 已婚 <input type="checkbox"/> 离异 <input type="checkbox"/> 丧偶  <input type="checkbox"/> 10. 教育程度: <input type="checkbox"/> 小学 <input type="checkbox"/> 初中 <input type="checkbox"/> 高中 <input type="checkbox"/> 大学 <input type="checkbox"/> 研究生  <input type="checkbox"/> 11. 健康状况: <input type="checkbox"/> 良好 <input type="checkbox"/> 一般 <input type="checkbox"/> 较差  <input type="checkbox"/> 12. 兴趣爱好: <input type="text"/>  <input type="checkbox"/> 13. 其他: <input type="text"/> </p>	
<p> <input type="checkbox"/> 14. 是否参加过类似活动: <input type="checkbox"/> 是 <input type="checkbox"/> 否  <input type="checkbox"/> 15. 是否愿意参加: <input type="checkbox"/> 是 <input type="checkbox"/> 否  <input type="checkbox"/> 16. 其他: <input type="text"/> </p>		<p> <input type="checkbox"/> 17. 是否参加过类似活动: <input type="checkbox"/> 是 <input type="checkbox"/> 否  <input type="checkbox"/> 18. 是否愿意参加: <input type="checkbox"/> 是 <input type="checkbox"/> 否  <input type="checkbox"/> 19. 其他: <input type="text"/> </p>	

**Thursday's 4 P.M. Close**  
The 150 most traded stocks of the day,  
up to the closing on Wall Street.  
*The Associated Press.*

[illegible]

**Thursday's 4 P.M. Close**  
(Continued)

[illegible][illegible]



## INTERNATIONAL INVESTING

# Goldman Offering Shows Confidence in Market

By Joseph Kahn  
New York Times Service

NEW YORK — The revival of Goldman Sachs & Co.'s plan to go public is a sign that top bankers on Wall Street see the strength in the U.S. stock market as sustainable, despite fears that the run-up in Internet stocks has helped drive stock prices back to cool.

Goldman would be deeply embarrassed to have to cancel its stock offering a second time. Executives there are making a calculated gamble that the financial winds are steady enough to carry them through the summer.

Goldman, the last big private investment bank on Wall Street, will go public by early summer, the firm announced Wednesday, barring another slump in the market like the one that caused Goldman to delay its plans to go public last year.

The full roster of 221 partners who own the firm will not vote formally on the share offering until Monday, but little opposition is expected.

Goldman, which makes most of its money from trading and underwriting securities and advising companies on strategy, plans to sell 10 percent to 15 percent of its shares to the public.

If the issue is successful, Goldman will have more capital to compete with other banks and brokerage houses in areas such as managing client money and the Internet, where it hopes to grow quickly.

If all goes well, the sale of shares in the prestigious investment bank is likely to be one of the richest in the history of initial public offerings, but perhaps not as bountiful as it might have been.

Profits at Goldman and other financial companies are bouncing back after they tumbled last autumn. But some analysts caution that the recovery is still partial and that the financial markets are more volatile than they were last year, when Goldman's leaders first overcame longstanding internal opposition and persuaded the partners to go public.

Goldman hopes to raise \$2.5 billion to \$3.5 billion, a wide range that could put the full market value of Goldman's shares anywhere between \$16 billion

and \$35 billion. Several people who have studied the issue say they believe that Goldman is aiming to sell shares at a price that would value the whole firm at \$22 billion to \$25 billion, or about 20 percent less than its target range at the time of the first offering announcement.

That would reduce the value of the shares that Goldman partners receive, but hardly by painful amounts. The low-end ranking partners, including those named to their posts only a few months ago, probably would have shares valued at about \$15 million. The most senior executives would see their share holdings reach \$150 million, people close to the firm have estimated.

Goldman also intends to turn all of its lower-ranking bankers into shareholders. The last time, the partners agreed to devote about 20 percent of the total ownership of the firm to employees, a level that some expect to be maintained this time.

All inside shareholders will hold restricted stock that cannot be sold for a few years, and the value of their holdings will depend on the share price at the time of sale.

One reason for the lower valuation of the firm this time is that investors pay less now for shares of Goldman's chief rivals. Financial stocks have recovered in recent months, but only Morgan Stanley Dean Witter & Co. among the major securities firms has come close to touching its all-time high. The share price of another leading competitor, Merrill Lynch & Co., is still 30 percent off its peak level.

"We're still waiting to see proof of a full recovery in brokerage stocks," said Guy Moskowitz, an industry analyst for Salomon Smith Barney Inc. "The momentum is back, but we need to see the results of the first and second quarter to say they are completely healthy again."

Bond-trading losses and slow underwriting activity slashed Goldman's profit in the second half of last year, bringing earnings below what it made in 1997. Such swings in profitability plague many Wall Street firms. But others have diverse businesses such as cred-



## Goldman Sachs

Henry Paulson, left, with Jon Corzine, his former co-chief executive at Goldman Sachs & Co., which has revived the plan for a public offering it abandoned last year. Goldman is the last big private investment bank on Wall Street to go public, and it hopes to raise between \$2.5 billion and \$3.5 billion from the sale.

it cards and retail mutual funds that allow them to weather storms better than Goldman does.

After the market turmoil last autumn, Jon Corzine resigned as Goldman's co-chief executive officer, leaving Henry Paulson alone in the top post.

Mr. Corzine remains a nonexecutive chairman. The leadership change disclosed tensions in the executive suite over the way the firm was run and its tendency to derive a big chunk of profit from trading stocks and bonds with its own capital, Goldman insiders have said.

"Goldman does not have the same profit stability as some other firms, and that will be on investors' minds," said Michael Holland of Holland & Co., a fund manager specializing in financial stocks. "But they are also one of a kind, and I expect them to try to price their shares aggressively."

Working in Goldman's favor are early signs that the first quarter of this year is proving to be a rollicking success. Stock and bond underwriting volumes for the first two months of the year increased by as much as 50 percent from year-earlier levels, and a backlog of merger-and-

acquisition activity promises a steady flow of advisory fees into the summer months. Goldman's profit appears on track to comfortably exceed the first quarter of 1998, when it made more than \$1 billion.

"They are in the sweet spot of their current cycle, striking on all cylinders," Mr. Holland said. "I think they're gusting cash these days."

Goldman officials declined to comment on the firm's current profitability or plans to sell shares, citing government regulations that prohibit companies from promoting their own stock in the weeks before a public offering.

Working in Goldman's favor these days is a major business that it does not have: a retail brokerage. Unlike Merrill Lynch, Morgan Stanley and many other firms, Goldman does not have a network of brokers who sell stocks and bonds to middle-class individual investors.

Its lack of that business was seen as a weakness for years. But it may now be a strength of sorts, leaving Goldman free to embrace the Internet without fear of alienating thousands of employees. One senior committee at the firm is now pondering strategic options, and another

is examining how it should best jump into the on-line world.

By the time Goldman starts marketing shares to investors in late April and early May, the firm expects to have an Internet strategy to talk about, people close to it said.

"This is the No. 1 thing that every investor in our industry is looking at," one person close to Goldman said. "Goldman will be thinking about taking its brand name and accessing new markets."

People within Goldman are debating whether it makes sense for the firm to jump into the retail brokerage business, either through its own on-line brokerage house or in alliance with an established firm such as Fidelity Investments or Charles Schwab & Co. Goldman has also explored ways in which new trading networks offer alternatives to established stock markets.

For that and other reasons, Goldman's public offering has the rest of Wall Street talking. One subject for speculation is whether Goldman's brand name will allow it to command a share-price premium over Merrill and Morgan Stanley. Some say yes, others say no.

The benchmark to beat is Morgan Stanley. At its closing price Wednesday of \$92.625 a share, Morgan trades at about 3.8 times its book value, a ratio that serves as the standard yardstick for financial stock prices. Merrill, which suffered more in the market downturn last fall, now trades at about 2.9 times book value.

For Goldman to hit a \$25 billion valuation, it would have to price its shares at roughly four times its current book value of \$6.3 billion, a slight premium to Morgan Stanley's level. Even at the bottom of its intended range, Goldman would have to trade at a hefty premium to Merrill's current level.

"I think Goldman will trade at or above Morgan or they won't do the offering," Mr. Holland, the money manager, said.

But one banker at a rival Wall Street firm, who asked not to be identified because his firm is in contention to help Goldman underwrite its shares, said he would be surprised if Goldman could price its shares at a premium to Merrill Lynch's.

"I think they will be lucky to get to that level," he said. "My impression is that Morgan is out of reach for them now."

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Lyora Rasmussen: Fax (33-1) 41 43 92 12 or e-mail: lyora@funds@bt.com

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<p><b>ABC BANKING FUND (UK)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: £100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (US)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: \$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (EURO)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: €100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (JPY)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: ¥100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (AUD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: A\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (NZD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: NZ\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (SGD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: S\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (HKD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: HK\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (TWD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: NT\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (KRW)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: ₩100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (CNY)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: ¥100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (INR)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: ₹100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (BRL)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: R\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (MXN)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: M\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (ARS)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: A\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (CLP)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: CLP\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (COP)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: C\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (PEN)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: P\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (COL)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: C\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (VUV)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: V\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (FJD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: F\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (TVD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: T\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (SBD)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: S\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (LAK)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: L\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (KHR)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: K\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (MMK)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: M\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (IDR)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: Rp100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (PHP)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: P\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (THB)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: TH\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (MYR)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: M\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (VND)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: V\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Lao)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: L\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Camb)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: C\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (Viet)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: V\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Laos)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: L\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Burma)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: B\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (Sri Lanka)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: S\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Maldives)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: M\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Bhutan)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: B\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (Nepal)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: N\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Bangladesh)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: B\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Pakistan)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: P\$100m NAV: 1.00 YTD: 10.00%</p>	<p><b>ABC BANKING FUND (Afghanistan)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: A\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Yemen)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. Assets: Y\$100m NAV: 1.00 YTD: 10.00%</p> <p><b>ABC BANKING FUND (Iraq)</b> Investment: Banking, Finance, Insurance, Property, Technology, Telecom, Utilities, and other sectors. 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**WORLD ROUNDUP**

**Rain Slows Pakistan**

**CRICKET** Wajahatullah Wasti made 80 not out Thursday and Imran Nazir added 64 as Pakistan reached 192 for three wickets against Sri Lanka in Lahore. Nazir, a 17-year-old making his test debut, completed his half-century before lunch on the rain-curtailed opening day of the Asian Test Championship match. (AP)

**Rockies Sign Walker**

**BASEBALL** The National League batting champion, Larry Walker, agreed Thursday to a six-year extension of his contract with the Colorado Rockies.

Walker, in interviews, had been pressuring the Rockies to come up with a deal before the season began, hinting he might choose to become a free agent if they did not. Terms of the contract were not disclosed.

Walker, 32, won the 1998 National League batting title with a .363 average. In 1997, he was the league's most valuable player.

Walker's defensive play has earned him two consecutive Gold Gloves. He is the Rockies' career leader with a batting average of .335, slugging percentage of .643 and on-base percentage of .414. His lifetime average, including his seasons at Montreal, is .305.

Walker signed a four-year free-agent contract with the Rockies before the 1995 season. It included a 1999 club option. (AP)

**No Visitors for Key Game**

**SOCCER** No official trips for supporters will be available to away-fans at the European championship qualifiers between Croatia and Yugoslavia this year. Only official guests and media from each country will travel to the games in Belgrade on March 27 and Zagreb on Oct. 10. "We decided to do everything we could to eliminate all tensions of the pitch," Branko Butanovic, the Yugoslav soccer federation's general secretary, said Thursday. (Reuters)

**Beckham Has Edge Over Old Adversary**

*Simeone Frustrated as Manchester Beats Inter*

*Compiled by Our Staff From Dispatches*

The last time Diego Simeone and David Beckham met on a soccer field, the English were left complaining about the referee. In the rematch, Simeone felt he was the victim of a miscarriage of justice.

When England played Argentina in the World Cup in St. Etienne last summer, Beckham received a red card for kicking Simeone, after the Argentine fell to the ground in apparent agony.

England, playing with 10 men, lost the match in a penalty shootout.

The two met again Wednesday, when Simeone's club, Inter Milan, visited Beckham's, Manchester United, in the first leg of a Champions League quarterfinal. Before the game, Simeone said he had play-acted the fall in St. Etienne and fooled the referee into giving Beckham a red card. He said he looked forward to being jeered by the English fans.

In the rematch, with Beckham wide on the right and Simeone in central midfield, their paths rarely crossed, although Beckham did take the ball from Simeone with one crushing tackle early on. Beckham took a measure of revenge by setting up both goals as his team won, 3-0.

Beckham was devastating in the first half. In the seventh minute, he curled a cross onto Dwight Yorke's forehead, and the Tobago striker drove to head the ball into the corner of the goal. A minute before halftime, Beckham again swerved the ball into the goalmouth for Yorke to score with a second header.

Giuseppe Bergomi, Inter's veteran defender, was unhappy: "We had studied videos of Beckham all week and knew what he was capable of, but did nothing to stop him."

In the second half, Simeone himself hammered a header into the United goal, but Helmut Krug, the referee, ruled that another Inter player had committed a foul.

"I'm really upset," Simeone said. "That was a big goal. It would have changed the game and our chances at qualifying."

At the end, Beckham and Simeone embraced and exchanged shirts. "Beckham's a good lad," Simeone said. "I thought the fans would boo me a lot more. I was actually quite surprised that there was so little noise for me."

Bayern Munich 2, Kaiserslautern 0 Kaiserslautern, which lost, 4-0, in Munich in the German league this season, dominated early on. Uwe Rosler headed over from close range and Martin Wagner struck the bar with a free kick.

But Bayern took the lead after 30 minutes when Carsten Jancker, the Bayern center forward, deflected the ball to Giovanni Elber while wrestling with a Kaiserslautern defender. Elber lashed the ball into the goal. Four minutes later, Stefan Effenberg broke free to score Bayern's second.

Real Madrid 1, Dynamo Kiev 1 Real Madrid, the defending Champions' League titleholder, wasted a string of chances against the visiting Ukrainians. Kiev took the lead in the 54th minute when Andrei Shevchenko, put through by Sergei Rebrov, calmly scored.

Dynamo gave away a series of free kicks around its penalty area, but with Roberto Carlos struggling to find his range, Dynamo was not punished until the 66th minute, when Predrag Mijatovic curled a free kick into the goal.

Juventus 2, Olympiakos 1 In Turin, Juventus controlled its match but gave away a goal in the sixth minute of time added for injuries and other delays.

Juventus, which has appeared in the last three Champions League finals, took a 2-0 lead on goals by Filippo Inzaghi and Antonio Conte. But its defense left its goalkeeper, Angelo Peruzzi, exposed to a daring run from Alexios Alexandris.

Peruzzi tripped his opponent to give away a penalty and Andreas Niniadis scored with the kick. "The referee made the right call," Peruzzi said. (AP, Reuters, AFP)



Zaza Dzhanelashvili left, being greeted by Yuri Drozdov (3) and other teammates after scoring one of his three goals Thursday as Lokomotiv Moscow beat Maccabi Haifa of Israel, 3-0, in a Cup Winners Cup, first-leg quarterfinal.

**Connecticut Reaches Big East Semis**

*The Associated Press*

**NEW YORK** — Kevin Freeman scored 22 points, including a tip-in with 1:27 left that gave top-seeded Connecticut the lead for good Thursday, and the Huskies held on for a 57-56 victory over Seton Hall in the quarterfinals of the Big East tournament.

Third-ranked Connecticut (26-2) advanced to the semifinals Friday against the winner of the quarterfinal between fourth-seeded Syracuse and fifth-seeded Villanova.

Freeman's tip of a 3-point attempt by Richard Hamilton gave the Huskies a 51-50 lead. His dunk after a pass from Khalid El-Amin made it 53-50 with 29 seconds left. After a time-out, Seton Hall (15-14) scored on a drive by Ty Shine, forcing the Huskies to make it or break it

from the free-throw line. El-Amin was fouled with 16 seconds left and made both ends of a 1-and-1 to make it 55-52. Seton Hall scored with

**COLLEGE BASKETBALL**

three seconds left on a rebound basket by Reggie Garrett to again get within one.

After a time-out by each team, Hamilton was fouled with two seconds left and made both ends of a 1-and-1. Seton Hall had a final chance when the Huskies' Rashamel Jones was called for a foul before the ball was inbounded.

Gary Saunders, who led the Pirates with 18 points, made the front end of the 1-and-1 and tried to miss the second for a chance to score a basket, but the ball hit the rim and fell in for the final margin.

Temple 64, Virginia Tech 51 In Philadelphia, Mark Karcher hit a career-high six 3-pointers and Pepe Sanchez keyed Temple's defense with eight steals as Temple advanced to the Atlantic-10 Conference tournament semifinals with a 64-51 victory over Virginia Tech.

Lamont Barnes added 14 points and 13 rebounds, 11 on the offensive end, for the Owls (20-9), who never trailed after building a 19-point halftime lead.

Temple, the top seed in the Atlantic-10 East, advanced to play the winner of the Massachusetts-Xavier quarterfinal game.

The Owls built a 42-23 halftime lead behind Karcher's perimeter shooting, capping the half with a 3-pointer from the right corner as time expired. Karcher did not hit another field goal in the game.

**In Formula One, a 2-Team Contest**

*McLaren and Ferrari Gearing Up for Season Opener in Melbourne*

*By Brad Spurgeon  
International Herald Tribune*

**PARIS** — When the Formula One season starts in Melbourne on Sunday, the two teams that battled to the checkered flag last year will start as favorites, not least in their own minds.

"It will be a McLaren-Ferrari duel again," said Eddie Irvine, the second Ferrari driver, at Ferrari's annual press conference at its recent winter retreat in Italy.

Certainly the sport's winter testing seemed to bear him out. Michael Schumacher, Ferrari's leading driver, and the man who beat him to the driver's title last year, Mika Hakkinen of McLaren, were nearly always faster than any of their other rivals.

Making comparisons from the sport's winter testing is tricky, however, because the teams tested at several tracks around Europe and in South Africa under different weather conditions, at different times, and at varying stages of their cars' development. Comparisons were made even more difficult this winter because Ferrari and McLaren seemed to be avoiding each other.

But as the teams worry about each other at the Melbourne Grand Prix, they might be well advised to check their rearview mirrors — others may be catching up. Over the course of the testing, six of the other nine teams gave hints that they were capable of mounting a challenge.

One enigma is the team that has

metamorphosed from the impoverished, 30-year-old Tyrrell team into the slick and rich British American Racing team that likes to call itself "the new kid on the block." Craig Pollock, Jacques Villeneuve's manager, bought the team in December 1997.

Thanks largely to British American Tobacco PLC, the team has what is estimated as the third largest annual budget at nearly \$100 million. Villeneuve, the 1997 Formula One champion, and Ricardo Zonta, the 1998 Grand Touring Car world champion, set good times in winter practice for the team, and Adrian Reynard, their designer, has made winning cars in every racing series he has entered. The cars will be closely watched in Melbourne since Reynard's chassis have also won their debut races in every new formula.

"This isn't Reynard, it's BAR," said Reynard at the presentation of the new car in January. "But I've never heard that setting one's targets too high is a bad thing. That's what we will try and do."

The surprise of the winter testing in Barcelona in February came from another relative newcomer, Prost. The team finished ninth in the constructors' championship in its second full season last year. But on the last day of testing, the new Prost car, driven by Jarno Trulli, set the fastest lap of the month.

"We have to keep realistic ambitions for '99," Alain Prost said. His ambition, he said, is to "be able to

fight with the main pack behind the two leading teams."

Williams, the dominant team of 1990s, slipped to a distant third last year. It has hired Alex Zanardi, who left Formula One in 1994 after scoring only one point in 25 races. He returns as a star, having won the last two CART championships in North America.

Zanardi's teammate is the "Mr. Brother," Ralf Schumacher. Michael's younger brother joined Williams after two seasons with Jordan. He drove consistently faster than Zanardi throughout most of the testing, but Zanardi's greater experience should help in races.

Jordan, the team that won its first race at the 1998 Belgian Grand Prix, has improved steadily. This year's internal battle between Damon Hill and the new driver, Heinz-Harald Frentzen, should help raise the level of competition.

Benetton's cars set fast times through the winter. But the team has a new director, Rocco Benetton, 29, who has no experience in racing.

Sauber finally has a competitive motor in the 1998 Ferrari engine. Jean Alesi, the team's French driver, set promising times in testing.

At Jackie Stewart's team, Rubens Barrichello set the third fastest time in Barcelona. But problems with the new Ford engine and Johnny Herbert's crash at 300 kilometers per hour (185 miles per hour) down the straight suggest the car still needs development.



Michael Schumacher of the Ferrari team, left, taking a break from training with Nick Orlic of the South Melbourne soccer team.

"Like any new chassis-engine package at the start of a season," Stewart said, "there are certain issues still to be resolved."

The two teams that seem doomed to bring up the rear are Minardi and Arrows. Minardi has an all-new and fast car — along with the smallest budget in the paddock.

In January, Tom Walkinshaw sold part of the Arrows team to Prince Malik Ado Ibrahim of Nigeria, and another part to the investment firm Morgan Grenfell Private Equity. Last week, the new consortium kicked out Mika Salo, the fast and experienced Finnish driver, in favor of the less-experienced Toranosuke Takagi, whose sponsors will contribute \$6 million to the team's budget.

**Olympian Grandstanding**

*U.S. Committee's Appeal to Washington Is Misguided*

*By Mike Penner  
Los Angeles Times Service*

**LOS ANGELES** — The dog-and-pony show was held by the U.S. Olympic Committee in Washington, all the easier for the buck to be passed up Capitol Hill and to President Bill Clinton's desk.

While conceding that USOC oversight regarding the Salt Lake City bid campaign was "abysmal," Bill Hybl, the USOC President, said Wednesday he had sent a letter to the

**VANTAGE POINT**

president asking the White House to ride to the rescue, round up the guys in the black hats (i.e., the International Olympic Committee) and throw them in the hoosegow.

Rather dramatically, Hybl said he was calling on the White House to put the IOC under the Foreign Corrupt Practices Act, which makes the bribing of foreign government officials a crime.

"In less than 100 days, the Olympic Movement has faced its most serious challenge in the past 100 years," Hybl said. "This challenge has become a global crisis that demands the most aggressive possible action and a commitment to change."

One problem: The IOC is not a foreign state and its members do not represent foreign governments. Placing the IOC under the auspices of the Foreign Corrupt Practices Act would first require amending the law.

Even then, how would the U.S. government drag IOC members into American courts to be tried? More than one international treaty would have to be amended — or broken.

Hybl's ploy amounts to little more than grandstanding. That seems to be going around

the USOC these days. In the end, what did the touted USOC-commissioned investigation led by George Mitchell produce, beyond a report of the obvious? Fifty-three pages and two press briefings to say that IOC members accept lavish gifts from Olympic bid cities and that this practice should be stopped?

But Hybl is right when he describes the crisis as global.

On Wednesday, a fax from the Sion, Switzerland, bid committee arrived at the Los Angeles Times. Sion is campaigning to hold the 2006 Winter Olympics — the first campaign to be conducted under the anti-corruption restrictions proposed by the IOC executive board in January.

Sion and the others are prohibited from flying in and wooing IOC members, so Sion has adopted a fresh and imaginative new bid strategy: Flying in and wooing the media.

"We are pleased to invite you to come and see our candidature for yourself," said the fax. "We will present our candidature file, show you the competition venues and offer you the opportunity of meeting those in charge of the project, and provide a flavour of the cultural life of the Valais."

The fax notes that "many media will be coming to Switzerland for the IOC's Extraordinary Session to be held on 17th and 18th March in Lausanne" — convenient, that — and lists four time windows surrounding the IOC meeting for two-day media junkets to Sion.

Finally, the fax proposes: "The Sion 2006 candidature committee will bear your travel costs together with those for your accommodation and meals."

It will be interesting to see how Sion's archival, Turin, counters this most hospitable offer.

**SCOREBOARD**

**BASEBALL**

**EXHIBITION BASEBALL**

**WEDNESDAY RESULTS**

New York Mets 12, St. Johns 3

**WEDNESDAY RESULTS**

Arizona 10, U. of Arizona 2

Tampa Bay 5, Miami, Fla. 0

Defail & Florida Southern 7

**BASKETBALL**

**NBA STANDINGS**

**EASTERN CONFERENCE**

Atlantic Division: Orlando 12, 4, 759

Atlanta 10, 5, 443

Philadelphia 10, 5, 467

New York 9, 6, 460

Boston 9, 6, 462

Washington 5, 9, 357

New Jersey 3, 11, 214

**CENTRAL CONFERENCE**

Indiana 11, 4, 733

Memphis 8, 5, 615

Detroit 9, 6, 460

Atlanta 8, 7, 533

Cleveland 6, 7, 462

Toronto 4, 9, 378

Chicago 4, 12, 259

San Antonio 3, 10, 231

**WESTERN CONFERENCE**

Utah 12, 3, 580

Albuquerque 8, 5, 443

Houston 7, 5, 433

San Antonio 7, 6, 467

Denver 5, 10, 333

Vancouver 3, 10, 231

**WEDNESDAY RESULTS**

Indiana 24, 34 19 22-186

Washington 24, 32 12-95

Orlando 12-24 0-0 26, Shickel 6-14 2-3

Atlanta 1-14 0-21 12, W. 42 (7:00 p.m.)

Atlanta 26, 34 12-95

Washington 27 (Shickel 12)

Chicago 17 18 28 31-86

Philadelphia 28 34 27 28-102

C. Simpson 7-13 7-10 21, Kucak 6-13 4-14

P. Iverson 10-21 4-9 24, Geyer 7-9 7-21

Orlando 30 (4:00 p.m.)

Atlanta 26 (4:00 p.m.)

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SPORTS

# Pete Rose Jr. Shows Father And Dodgers Some Pop

**The Associated Press**  
Pete Rose Jr. was a hit, Garth Brooks was a miss.  
While the New York Mets were beating St. John's University, 12-3, Tuesday in this spring's first exhibition, several other teams were playing intrasquad games.

With his father sitting in the stands, Rose got a hit in the Los Angeles Dodgers' game at Vero Beach, Florida. Brooks, however, struck out in his only at-bat in the San Diego Padres' game at Peoria, Arizona.

After being reminded by Manager Bruce Bochy to put on his batting helmet, the country-music star managed to foul off two pitches before chasing a neck-high fastball from a nonroster righty, Salvador Rodriguez.

"I guess four out of the five pitches I was proud of," Brooks said. "The last one I wasn't. That's the one I'll remember."

Brooks, who was playing just for fun, did fine in left field, cleanly handling a single by Gary Matthews Jr. in his only chance.

Rose Sr., baseball's career hits leader, watched his 29-year-old son swing away at Dodgertown.

"I'll let you know if he's my son after he hits," Rose said to a fan. "If he gets a hit, he's my son. If he doesn't, he's your son."

Rose Jr. is just hoping for a chance with the Dodgers. "I think I've got what it takes," he said. "I plan on making the team. I'll bust my tail. I'm going to be in L.A. at some time. I'm a guy who's got some pop. Left-handed pop looks to be a little scarce around here."

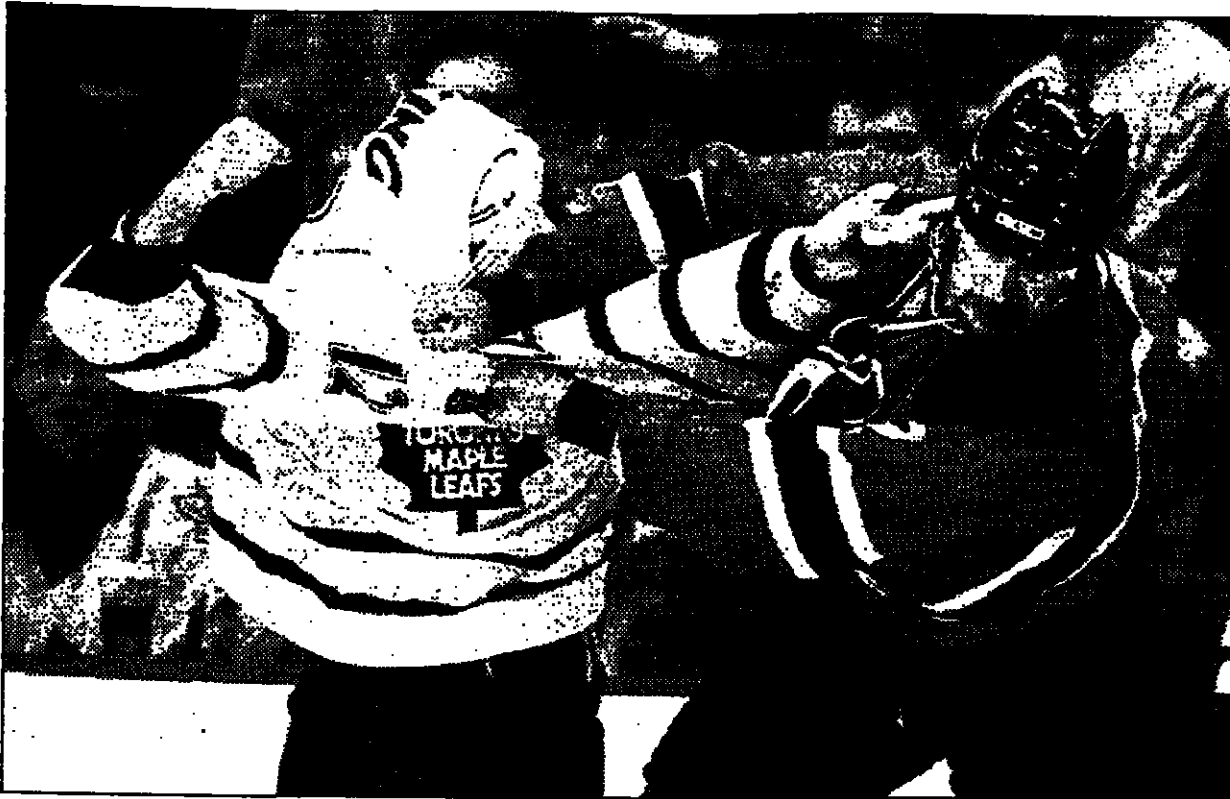
Kevin Brown, who signed a \$105 million, seven-year contract with the Dodgers, pitched two innings in a simulated game. He threw 16 pitches in the first inning and 23 in the second.

"It's part of getting started back up, getting cranked up again," Brown said. "I survived, didn't get hit in the face or anything, so that's a moral victory there."

At the end of the session, Brown gave up a few shots that most likely would have been hits in a game, to Jose Vizcaino, Eric Sheffield and Raul Mondesi. He ended the session by striking out Gary Karros.

A crowd of 1,431 at Port St. Lucie, Florida, watched the Mets beat St. John's. Matt Franco homered during a seven-run burst in the third inning and Melvin Mora and Mike Kinkade also connected for New York.

Five Mets pitchers combined on a five-hitter. John Franco, the Mets' closer and St. John's alumnus, did not pitch.



Kris King of the Maple Leafs, left, flailing away at the Devils' Sheldon Souray despite a slightly impaired field of vision. Both players were assessed five-minute penalties in the fight-filled game won by New Jersey, 5-2.

## Avalanche Buries Panthers' 5-0 Lead

**The Associated Press**  
With a five-goal lead over the Colorado Avalanche late in the second period, the Florida Panthers looked in great shape. Imagine their surprise when they lost the game.

"I haven't seen anything like this before," the Panthers' coach, Terry Murray, said after his team's stunning 7-5 loss to Colorado on Wednesday night.

"This is the biggest meltdown I've ever seen. Absolute, total embarrassment," Pavel Bure scored three straight goals to help the Panthers take a 5-0 lead. But the Avalanche lived up to their nickname by scoring seven straight in the final 22 minutes. Peter Forsberg contributed three goals and three assists.

"I don't know what happened — I'm still trying to figure it out," said Joe Sakic, who had three assists for Colorado. "I guess it was just meant to be."

Bure's hat trick and a goal each by Scott Mellanby and Oleg Kvasina chased the Colorado goalie, Patrick Roy, after two periods. Craig Billington came on in the third and wound up with the victory by stopping eight shots.

Forsberg ignited Colorado's comeback with his 19th goal at 18:11 of the second period. Forsberg scored twice in the third, including an unassisted goal with 1:31 left that capped a four-goal outburst in the final five minutes.

Claude Lemieux, Adam Deadmarsh, Chris Drury and Milan Hejduk also scored.

**Others 5, Sabres 3** Boris Mironov and Bill Guerin each scored twice as Edmonton won at Buffalo, giving Steve Passmore his first National Hockey League victory in goal.

**Hurricanes 2, Bruins 1** Martin Gelinas had a goal and an assist as Carolina beat Boston, snapping the Bruins' five-game unbeaten streak and stretching the Hurricanes' home unbeaten streak to four.

**Canadians 4, Penguins 4** Jaromir Jagr capped a four-point night with a third-period goal as Pittsburgh tied Montreal in a game that ended the Penguins' nine-game home winning streak and cost them two of their best players.

The Penguins' goalie, Tom Barraso, left after seven minutes with a bruised right hand, and Martin Straka departed because of a bruised shoulder after scoring his 30th goal.

**Devils 5, Maple Leafs 2** In Toronto, Jason Arnott scored two third-period goals as New Jersey overcame a two-goal deficit to beat the Leafs.

Scott Niedermayer and Bob Carpenter scored in the final four minutes of the second period to erase Toronto's lead.

In the first minute of the third period, Arnott beat a screened Toronto goalie, Curtis Joseph, to put the Devils ahead, 3-2. Later, a 55-foot blast by Arnott again eluded Joseph.

The game was marked by hard hits and scuffles. The Leafs lost the center Allyn McCauley, who was slammed into the boards by a Devils defenseman, Sheldon Souray, seven minutes into the third period. It took 10 minutes to stabilize McCauley and secure him to a stretcher before he was taken to the hospital.

He was diagnosed with a head injury and doctors said he had full feeling in all his extremities.

**Sharks 4, Canucks 3** A backup goalie, Steve Shields, made 28 saves, and Stephane Matteau and Bill Houlder scored third-period goals to lead San Jose to victory in Vancouver.

**Mighty Ducks 2, Kings 1** Guy Hebert stopped 33 shots and won his fourth straight decision, as Anaheim beat visiting Los Angeles. Hebert beat the Kings for the fourth time in as many meetings this season.

# Iverson, Despite Flu, Leads Surge by Sixers They Down Bulls, 102-86, for Sixth Straight

**The Associated Press**  
The Chicago Bulls are in no condition to handle Allen Iverson, even when he isn't really in any condition to be on the court.  
With Iverson scoring 24 points despite a bout with the flu, the Philadelphia 76ers beat Chicago, 102-86, on Wednesday night.

The Bulls have a six-game winning streak for the first time since 1991 and they clinched a victory in the season series with the Bulls for the first time since the 1990-91 season.

"He looked sick this afternoon," Larry Brown, the Bulls' coach, said of Iverson. "Once he got on the court, he didn't look sick to me."

Iverson, averaging 28.8 points, is the main reason the Sixers appear to have turned things around. Matt Geiger helped with 21 points, a season-high 13 rebounds and a career-high 5 steals, but this was Iverson's show.

Iverson was the focal point on nearly every possession while the game was still close. He was 10 for 21 from the field and added 6 assists and 3 steals.

"Even if you don't recognize it in public, I want people to say — behind closed doors if they have to — 'That's the best player in the NBA,'" Iverson said.

**Bucks 106, Warriors 78** In Milwaukee, Tyrone Hill broke out of his season-long shooting slump and Glenn Robinson continued to shoot well from the foul line.

Robinson, leading the NBA from the line with a .964 percentage, hit all 8 of his free throws and scored 19 points. He has missed just one of 28 free throws this season. Hill, shooting 34 percent from the floor, scored 20 points on 7 of 11 shots.

**Pacers 106, Wizards 95** Jalen Rose scored 11 of his 22 points in the final quarter, and Washington collapsed in the fourth period as it lost for the fifth time in six games and for the fifth straight time at home.

Washington made just 6 of 22 shots in the final period.

**Lakers 101, Suns 95** In Los Angeles, Kobe Bryant scored 23 of his 32 points in the second half. Dennis Rodman had 17 rebounds to remain unbeaten with the Lakers and Shaquille O'Neal put in 27 points.

The Lakers, winning their fifth in a row and beating Phoenix for the second time in three nights, reeled off a 12-0 spurt in the fourth quarter.

**Trail Blazers 97, Kings 93** Brian Grant had 6 of his 20 points in overtime and added 18 rebounds as Portland won in Sacramento.

Arvydas Sabonis had 17 points and 13 rebounds and Isaiah Rider had 16 points for the Blazers. The Kings, who lost for the sixth time in the last eight games, were led by Chris Webber's 20 points and 14 rebounds.

**Magic 93, Hornets 78** Nick Anderson scored 25 points and Orlando used a 20-6 run early in the third quarter to pull away from visiting Charlotte.

Anderson was 8 for 13 from the field, including 6 for 10 on 3-point attempts. Isaac Austin added a season-high 20 points and 8 rebounds.

**Jazz 109, Grizzlies 86** Utah won its 19th straight regular-season game at home, including seven this season, as Karl Malone had 16 points and 10 rebounds.

The Jazz are the only Western Conference team the Grizzlies have never beaten.

## NCAA Weighing Final Picks for Tournament

**The Associated Press**  
NEW YORK — The meetings began Thursday with nine people being sequestered on their own floor of a Kansas City hotel.

They were not members of a jury discussing a trial, but members of the National Collegiate Athletic Association men's basketball committee, which is charged with determining the field of 64 in the NCAA tournament that begins next week.

C. M. Newton, the athletic director at the University of Kentucky and chairman of the committee, began discussing administrative issues early in the day with the other committee members. Later, the group was to discuss

the myriad possibilities regarding which teams were to be selected and where they would be seeded.

Newton, in his seventh year on the committee, said Wednesday that there was no clear formula to determine the field outside of those teams that received automatic berths by winning their conferences.

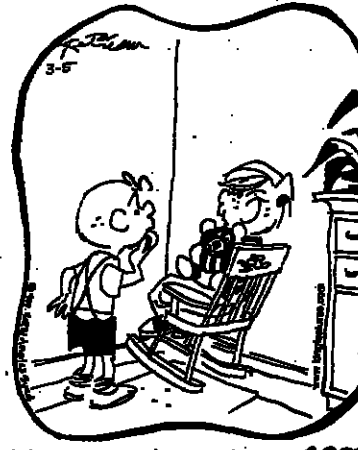
"The first time I was scared to death and in awe of the process," Newton said. "The longer you're involved, the more serious you take the charge and the charge is to select the right field."

Newton said the committee would meet for about 14 hours per day until the 64-team field is revealed Sunday night.

**A Milestone for Kent State**  
In 47 years as a member of the Mid-American Conference, Kent State had never won a division, conference or tournament title.

The Associated Press reported from Toledo, Ohio, that on Wednesday night, Coach Gary Waters and his players celebrated a 49-43 victory over Miami of Ohio in the MAC championship game. "This is amazing," Waters said. Kent State had been picked to finish sixth in the MAC.

### DENNIS THE MENACE



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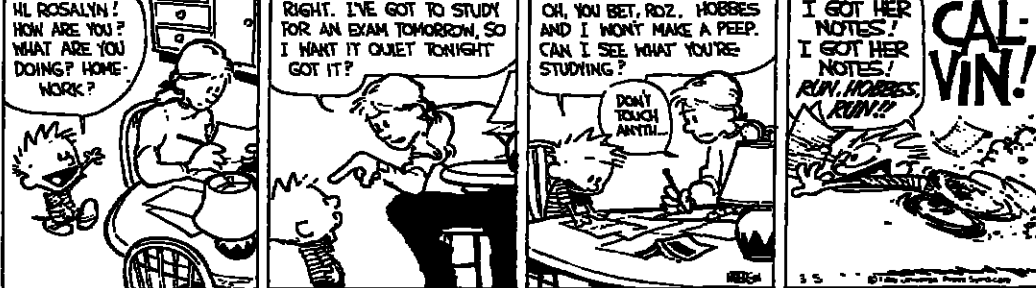
### BEETLE BAILEY



### BLONDIE



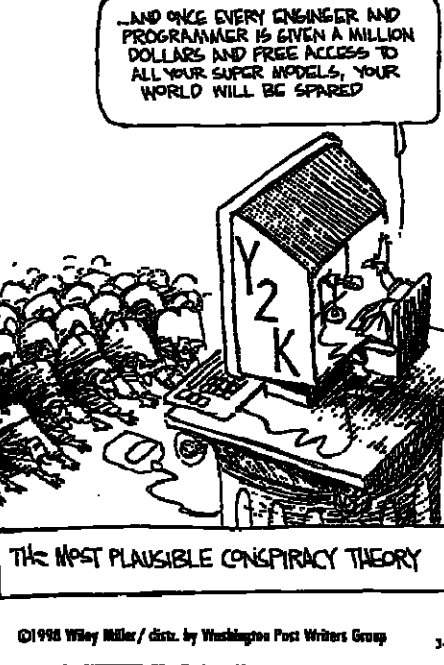
### CALVIN AND HOBBS



### WIZARD of ID



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## POSTCARD

## A Nobel Journalist

By Larry Rohter  
New York Times Service

**B**OGOTA — He has already won a Nobel Prize, says there are still books he needs to write and is about to celebrate his 72nd birthday. So it came as something of a shock to Colombians when the novelist Gabriel Garcia Marquez recently bought a money-losing newsmagazine here and then promptly joined the ranks of its reporting staff.

But to Garcia Marquez, the decision makes perfect sense. For years, he said, he had dreamed of using his Nobel Prize money to organize a newspaper to be called El Otro, or The Other, so when a group of young editors and reporters came to him with a proposal to buy and overhaul the news weekly Cambio, he welcomed it as a chance to return to his first love.

"Journalism is the only trade that I like, and I have always regarded myself as a journalist," said Garcia Marquez, who earned a living as a newspaper and news-agency reporter before writing "One Hundred Years of Solitude," the 1967 novel that established his literary reputation. "But nobody would employ me" after he won his Nobel in 1982, he added jokingly, "because it was too expensive. So now I pay so that I can be published."

Officially, Garcia Marquez is president of the seven-member board of directors of Cambio and the magazine's chief stockholder, roles he is not accustomed to playing. "Here," he said, handing a business card to an American visitor, an amused grin on his face. "I've never had one of these before."

By choice, though, his week-to-week duties at Cambio range as far afield as edit-

ing copy and reviewing photographs. When peace talks between the government and leftist rebels began in early January, he even went to the site of the negotiations as part of the magazine's reporting team, sending dispatches that were incorporated into the main article without his byline appearing.

Mauricio Vargas, the magazine's new editor in chief, said that one of the great advantages of having the Spanish-speaking world's most eminent author on staff is that "many doors open to him, and he knows how to ask that they be opened."

That celebrity status has resulted in exclusive interviews with heads of state and business leaders, but can create difficulties in the field.

"I want to feel the atmosphere, to be a reporter, but I have a problem," Garcia Marquez said, referring to the commotion caused when he appeared at the start of the peace talks. "My presence causes other reporters to treat me not as a colleague, but as news. So I have asked my fellow journalists to respect my right to exercise our craft."

But Cambio also provides a vehicle for Garcia Marquez's ruminations about current events and the international scene. Several of his essays have already been syndicated to publications throughout Latin America and Europe, helping enhance the magazine's reputation and improving its bottom line.

Cambio's circulation has risen sharply since the new management took over. In the first four weeks of the year, newsstand sales doubled to more than 12,000, editors said, circulation rose to 45,000, and advertising quintupled.

## The Sultry Eartha Kitt: Mellow, but Still Proud

By Dinitia Smith  
New York Times Service

**N**EW YORK — She slithers across the stage at the Café Carlyle, caudle. 72 years old, with the muscles of an adolescent boy — Eartha Kitt, whom Orson Welles called "the most exciting woman in the world" and the CIA reportedly called "a sadistic sex nymphomaniac" after she stood up at a White House luncheon and criticized the war in Vietnam.

Her tight velvet dress is slit to the thigh, fixed with a glittering brooch, as she sings her own rendition of "I'm Still Here": "I lived through Shirley Temple. Now I'm here. I remember Lyndon Johnson. Gee, that was fun..." She purrs, growls, does a belly dance to "Uska Dara," pours champagne down a waiter's throat, delivering a patter of double entendres as she goes.

Kitt has been a fixture on the music scene since the early 1950s, known for her sultry voice, her persona as a gold digger who turns men into helpless little boys with her sexual power. The New York Times critic Stephen Holden called Kitt the original "material girl."

She has performed on Broadway and in Las Vegas and played Catwoman in the "Batman" television series. She has appeared in films ranging from "New Faces," based on the Broadway revue that made her a star, and "St. Louis Blues" to, more recently, "Boomerang," with Eddie Murphy, and "Harriet the Spy," from the popular children's book.

During the late '60s and early '70s, her career went into a decline as music tastes changed, and because, she says, of her opposition to the war in Vietnam.

But now she is back in full force, appearing at the Carlyle till March 13 and as a voice in New York City taxicabs admonishing passengers to buckle their seat belts.

Sometimes in the past, with the smoldering anger of her performance, her voice straining in the back of her throat, Kitt has degenerated into self-parody. "If you look back," said her daughter, Kitt Shapiro, her voice "almost sounded like a caricature. Now I think it's very real. It represents life."

Indeed, there are many who think that Kitt has finally come into her own. The voice has mellowed, become softer around the edges, rather like vintage wine. In an age of mass entertainment on huge screens and in giant



At 72, Eartha Kitt has returned in full force to the New York cabaret scene.

stadiums, people are drawn to her cabaret act for her ability to create an intimacy with her audience. It is an act, Holden said, "worthy of comparison with Marlene Dietrich in her prime."

A few days after the Carlyle performance, you would not know it was Eartha Kitt in the hotel's restaurant, dressed in black sweatshirt and sunglasses, and without makeup and wig. But even offstage, she preserves the shtick, conducting herself with hauteur, referring to herself sometimes in the third person.

"There is beluga always in the fridge, champagne," Kitt said, "even though I don't have a man." But she would like a man, she said, "just as somebody who would escort me around town."

True to her Catwoman image, Kitt says she sleeps on a bed covered with lion skins. She would like to fill the room with them. "When I get out of bed I am usually nude," Kitt said. "I look at myself every morning to see if there are bulges, so you don't let it go past, say, five pounds." The solution is exercise. She can lift 50-pound (22-kilogram) weights, she said, and wants to make an exercise video for older women that is aimed at preventing osteoporosis, and that uses the principles of Radu, her trainer.

She has also learned to preserve her voice, to "throw" it from the larynx, as she puts it. She is an opera lover, she said, and draws inspiration from Maria Callas. Kitt is also quite a reader, she said, having read through the Book of Knowledge and "Goethe, Marlowe, Shakespeare."

"Plato was a great influence on my mind because he teaches you to think," Kitt said, with a haughty gaze. There is an anger in her presence, as well as her performance, a calculated tension.

"Whatever man's down front is hugely intimidated," said Daryl Waters, her longtime accompanist and music director. "Now and then she gets someone who decides to get up and dance with her, or catch her because they think she's going to fall. She always has a line or a look ready. Usually it's 'Where's your father?'"

The other night at the Carlyle, Kitt said, she was doing her belly dance when suddenly a woman in the audience offered her husband for the night. "I don't think you can afford me," Kitt responded coolly.

Still, despite her intimidating stage presence, Kitt said she was "scared to death." "Every time I walk out there I think I'm going to be rejected again." Indeed, rejection is a constant refrain in her conversation.

She has laid out the lineaments of her life in three autobiographies. The most recent, "I'm Still Here: Confessions of a Sex Kitt," in 1989, sometimes reads like Dickens: an illegitimate child, an unknown father — a white man, she believes, who may have been the son of the owner of the South Carolina plantation where her family lived.

Kitt said she was rejected by her darker-skinned family and given the name "yella gal." Her mother abandoned her because her new stepfather said her skin was too light. The family that took her in abused her, she said, and she went to work in the cotton fields. When she was about 8, an aunt sent her to live in Harlem. The aunt told her she was her real mother, but treated her unfairly, too, Kitt said.

Her looks often worked against her, Kitt said. In 1958, when she starred in "Anna Lucasta" with Sammy Davis Jr., 2,500 cinemas would not take this film because they thought I wasn't black enough to be making love to a black man on the screen," she said.

Kitt has been married once, to a man named Bill McDonald, and they had one child before their divorce. Kitt has two grandchildren, Jason, 8, and Rachel, 3.

In 1968, Kitt was invited to the White House by Lady Bird Johnson. "You send the best of this country off to be shot and maimed," Kitt said to the first lady. "No wonder the kids rebel and take pot."

The singer's outspokenness nearly ended her career in the United States, she said. Kitt said she learned from a reporter that the Central Intelligence Agency had drawn up a damaging report on her. Contracts were canceled. She went abroad, working mostly in Europe.

Her reputation was revived somewhat in the mid-1970s after President Jimmy Carter invited her to a gathering at the White House, and she appeared in a concert at Carnegie Hall. Then, in 1978, she won a Tony nomination for her role in "Timbuktu!"

More recently, in 1996, her first American recording in nearly 20 years, "Back in the Business," won a Grammy nomination.

Looking to the future, Kitt said she wanted to do more concerts and legitimate theater. "I'm tired of traveling," she said. "Maybe she should pair up with one of the new female rappers, someone suggested, to have more presence with younger audiences. Kitt looked down her nose. "I've been doing rap since the beginning of time," she said. And you wouldn't want to contradict her.

## PEOPLE



The film star Danny Glover at a drinking-water project in Burkina Faso, where he was attending the Pan-African Film and Television Festival.

**A**JUDGE has approved a \$550,000 (\$890,000) payment to the former Oasis drummer Tony McCarrroll to settle a lawsuit he filed against the band after he was fired. McCarrroll, 27, was fired in 1996 after a fight with the lead singer, Liam Gallagher, in a Paris bar. Oasis members also said that McCarrroll, who was replaced by Alan White, took no interest in improving his "poor" drumming. McCarrroll sued the five-member band for being "unlawfully expelled from the partnership," and sought 20 percent of Oasis's annual earnings, which are estimated at £18 million. The settlement, reached minutes after the case began Tuesday in London's High Court, was made public after the judge approved it Wednesday.

A Princeton University music professor says his hearing was damaged by an ear-splitting performance by the group Smashing Pumpkins, even though he was wearing earplugs, according to his lawyer, Peter Jeffrey, 45, is suing the members of the alternative

rock band and the city of New Haven, Connecticut, where the concert took place in January 1997. Jeffrey "has chronic tinnitus," his lawyer said, referring to ringing in the ears, "and also suffers from sleep deprivation." Jeffrey, who is a music professor specializing in

Gregorian chant, attended the show for about 20 minutes to look for his son.

Made with the help of former CIA officials and Mobutu aides, a documentary charting the rise and fall of the late

## Broadway's 'Titanic' to Close This Month

New York Times Service

**N**EW YORK — The producers of the musical "Titanic" have announced that they will close the \$10 million production, one of the most expensive in Broadway history, on March 28.

Michael David, one of the lead producers, would not say what the show's exact loss was, but he said it had earned back more than half of its initial investment. After its final performance, "Titanic" will have played 804 performances and 28 previews.

The show opened in April 1997 amid a spate of reports of technical problems with the mechanized set. The reviews were mixed to poor.

The musical seemed to gain strength after winning five Tony Awards in June 1997, including best musical, and by the fall of that year, "Titanic" was the top-grossing show on Broadway. Its fortunes were also buoyed by a renewed interest in the disaster spurred by the blockbuster film.

But in recent months, the show's steam appeared to be running out. It has been steadily losing money since early January.

dictator has made a splash at Africa's oldest film festival. "Mobutu: King of Zaire," made by Thierry Michel, a Belgian journalist, received a standing ovation at its first showing at the Pan-African Film and Television Festival in Ouagadougou, the capital of Burkina Faso. The documentary follows Mobutu Sese Seko, the former dictator of Zaire, now renamed the Democratic Republic of the Congo, from the early 1960s through his 32 years in power. The film was not competing for the 30-year-old festival's main prize, which will be awarded Saturday.

The Japanese justice minister was criticized in Parliament on Wednesday for allowing Arnold Schwarzenegger into the country without a passport. Shozaburo Nakamura gave the actor permission to enter through an airport in Osaka last October, although he arrived in his private plane without a passport. Schwarzenegger later submitted a report to the Justice Ministry saying that his passport had been stolen.

(go down in history)

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